

# FY 2023 BUDGET SUBMISSION



*“ To care for him who shall have borne the battle,  
and for his widow, and his orphan....”*

## Budget in Brief

March 2022

## Overview

The 2023 request and 2024 Advance Appropriations (AA) request for the Department of Veterans Affairs (VA) honors the Nation's sacred obligation to Veterans by investing in: world-class healthcare, including mental health, and enhancing Veterans' general well-being; benefits delivery, including disability claims processing; education; employment training; and insurance, burial, and other benefits to enhance Veterans' prosperity. The request ensures that all Veterans, including women Veterans, Veterans of color and LGBTQ+ Veterans receive the care they have earned, while addressing Veteran homelessness, suicide prevention and caregiver support.

The total 2023 request for VA is \$301.4 billion (discretionary, including collections, and mandatory), a \$30.7 billion (+11.3%) increase above the 2022 budget submission. This includes a discretionary budget request of \$139.1 billion, a \$21.9 billion (+18.7%) increase above 2022, including \$3.9 billion from Medical Care Collections. When combined with \$968 million from the Recurring Expenses Transformational Fund (Transformational Fund, or RETF<sup>1</sup>), the total discretionary funding level is \$140.1 billion. This funding is in addition to the \$17.1 billion provided to VA in the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2). VA obligated \$657 million of ARP funding in 2021 and plans to obligate \$12.0 billion in 2022 and the remaining \$4.3 billion in 2023.

The 2023 mandatory funding request is \$161.3 billion, an increase of \$8.6 billion or 5.7% above 2022.

VA anticipates supporting 435,926 Full-time Equivalent (FTE) staff in 2023 using all funding sources.

The 2024 Medical Care AA request includes a discretionary funding request of \$128.1 billion. The 2024 mandatory AA request is \$155.4 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities).

The 2023 request will provide the necessary resources to meet VA's obligation to provide timely, quality health care, services, and benefits to Veterans. The budget fully funds operation of the largest integrated health care system in the United States, with over 9.2 million enrolled Veterans, provides disability compensation benefits to over 6 million Veterans and their survivors and administers pension benefits for nearly 277,000 Veterans and their survivors. The 2023 request will also provide for:

- 7.3 million unique patients treated by VA, an increase of 0.6% above 2022 current estimate.
- 148 million outpatient visits, an increase of 7.98% above 2022 current estimate.
- Modernization of VA's electronic health record (EHR) system to improve quality of care.

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<sup>1</sup> The Consolidated Appropriations Act, 2016 (P.L. 114-113) created the Recurring Expenses Transformational Fund, which allows VA to transfer unobligated balances of expiring non-emergency discretionary funds in any of its accounts into the Transformational Fund for use as directed in the Act.

- Strengthening VA's infrastructure through \$1.4 billion in major construction and \$626 million in minor construction for priority infrastructure projects, together with an additional \$968 million for construction from the RETF.
- Education assistance programs serving nearly 820,000 trainees.
- Veteran Readiness and Employment (VR&E) benefits for nearly 102,000 Veterans.
- A home mortgage program with a portfolio of 4.1 million active loans.
- The largest and highest performing national cemetery system projected to inter an estimated 136,079 Veterans and eligible family members in 2023.

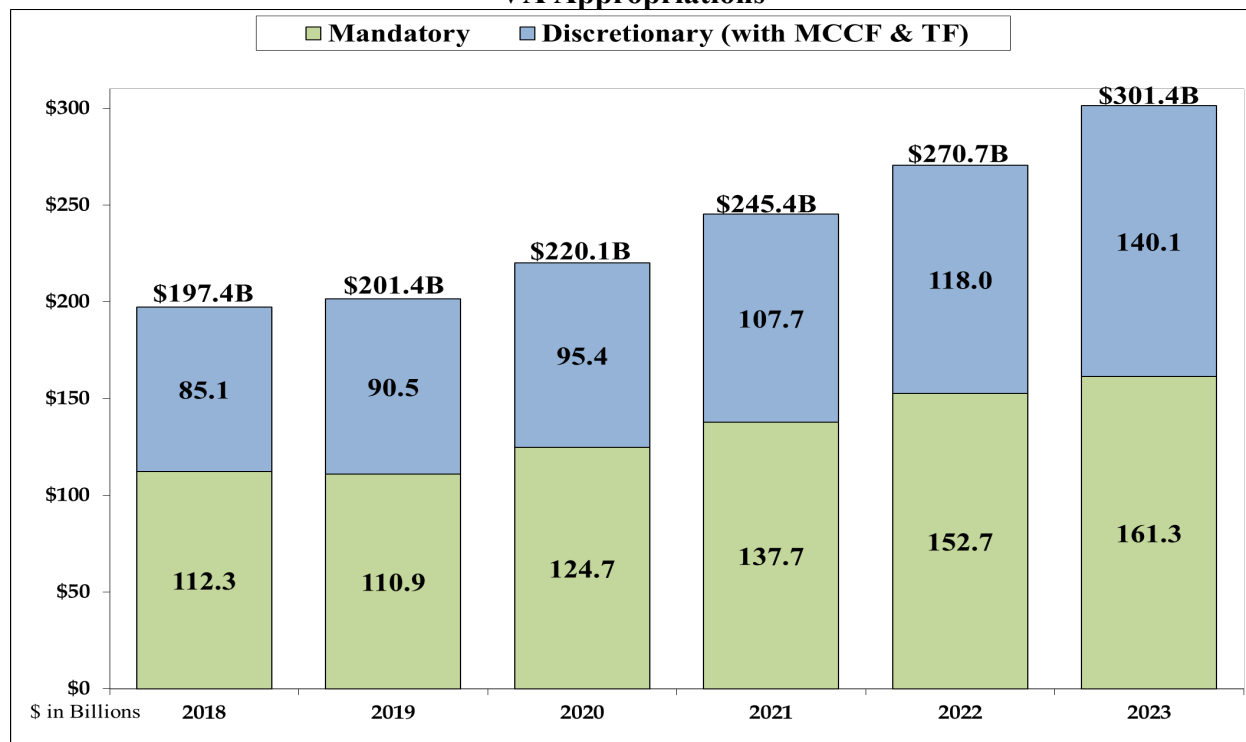
There are an estimated 19.2 million Veterans living in the United States (U.S.), its territories, and other locations. The resources requested in this budget will allow VA to deliver on the Nation's promise to Veterans through investments in personnel, efficient business practices, and technology. VA will continue to work with Federal, state, and local partners, including Veterans Service Organizations (VSOs) to best utilize the funds requested to meet our mission to Veterans, their families, their caregivers, and those who survive them.

During his first State of the Union address, President Biden outlined a four-part unity agenda focused on areas where members of both parties can come together and make additional progress for the American people. The President's 2023 Budget advances this unity agenda through targeted investments to take on the mental health crisis, accelerate progress against cancer, deliver on our commitment to veterans, and combat the opioid epidemic. The VA budget supports the unity agenda and recognizes our Nation's sacred obligation to our servicemembers and their families.

## VA Funding

Funding for the VA has increased significantly, with total funding growing by \$81.3 billion (+36.9%) since 2020, and by \$162.3 billion (+116%) since 2013, as shown below.

### VA Appropriations



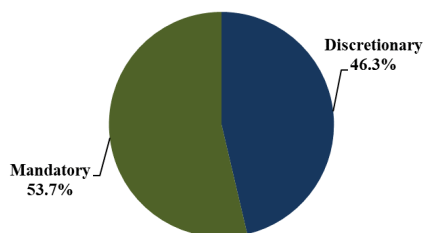
### Funding History

(\$ in Billions)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Mandatory	74.8	102.4	95.1	92.5	105.5	112.3	110.9	124.7	137.7	152.7	161.3
Discretionary	61.4	63.4	65.1	70.9	74.3	81.6	86.6	92.0	104.6	113.1	135.2
Medical Collections (MCCF)	2.9	3.1	3.2	3.5	3.5	3.5	3.9	3.4	3.1	4.1	3.9
Transformational Fund (RE TF)										0.8	1.0
<b>Total VA</b>	<b>139.1</b>	<b>168.9</b>	<b>163.5</b>	<b>166.9</b>	<b>183.3</b>	<b>197.4</b>	<b>201.4</b>	<b>220.1</b>	<b>245.4</b>	<b>270.7</b>	<b>301.4</b>

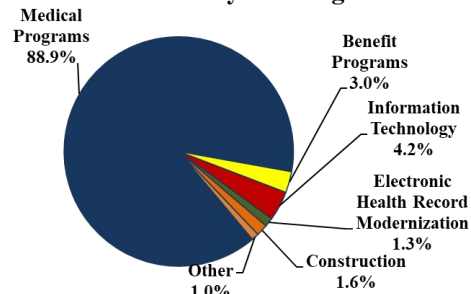
Mandatory includes \$15 billion provided by the Veterans Choice Act in 2014, \$2.1 billion in 2017 and \$7.3 billion in 2018. Mandatory excludes American Rescue Plan (2021). Discretionary excludes Families First Coronavirus Response Act (2020), CARES Act (2020). Totals may not add due to rounding.

## 2023 Discretionary and Mandatory Appropriations and Discretionary Funding Uses

### 2023 Discretionary/Mandatory Funding



### 2023 Discretionary Funding



# **FY 2023 Request**

## ***Regular Appropriations, Collections, Department of Defense (DoD) Transfers, and Transformational Fund***

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request	Change 2023 Total vs 2022	
				\$	%
Discretionary Funding 1/					
Medical Services	56,555	58,897	70,584	11,687	19.8%
Medical Community Care	18,512	23,417	28,457	5,039	21.5%
Medical Support and Compliance	8,199	8,403	11,073	2,670	31.8%
Medical Facilities	6,583	6,735	8,634	1,899	28.2%
Subtotal, Medical Care Appropriations	89,850	97,452	118,748	21,296	21.9%
Medical Care Collections Fund	3,091	4,085	3,910	(175)	-4.3%
Subtotal, Medical Care with MCCF	92,941	101,537	122,658	21,121	20.8%
Medical and Prosthetic Research	795	882	916	34	3.9%
Electronic Health Care Record Modernization	2,607	2,663	1,759	(904)	-33.9%
Information Technology Systems	4,875	4,843	5,782	939	19.4%
Board of Veterans' Appeals	196	228	285	57	25.0%
Veterans Benefits Administration	3,164	3,423	3,863	440	12.9%
National Cemetery Administration	352	394	430	36	9.1%
General Administration	354	401	435	34	8.4%
Construction, Major Projects	1,316	1,611	1,448	(163)	-10.1%
Construction, Minor Projects	354	553	626	73	13.2%
Grants for State Extended Care Facilities	90	0	150	150	-
Grants for Construction of Veterans Cemeteries	45	45	50	5	11.1%
Office of Inspector General	228	239	273	34	14.2%
Asset & Infrastructure Review Commission	0	5	5	0	0.0%
Loan Administration Funds	206	231	284	53	22.9%
DoD Transfers to Joint Accounts	152	152	183	31	20.1%
Subtotal, Discretionary without MCCF	104,584	113,122	135,237	22,114	19.5%
Subtotal, Discretionary (with MCCF)	107,674	117,207	139,146	21,939	18.7%
Transformational Fund (TF) 2/	0	820	968	148	18.0%
Total, Discretionary (with MCCF and TF)	107,674	118,027	140,114	22,087	18.7%
Mandatory Funding 3/					
Mandatory Funding	137,730	152,654	161,282	8,627	5.7%
Total Funding					
Total VA (Disc & Mand) without MCCF	242,313	265,777	296,518	30,741	11.6%
Total VA (Disc & Mand) with MCCF	245,404	269,862	300,428	30,566	11.3%
Total, Disc & Mand Funding (with MCCF and TF)	245,404	270,682	301,396	30,714	11.3%

1/ Discretionary Funding includes non-emergency discretionary appropriations provided in annual Appropriations Acts. Excludes CARES Act (P.L. 116-136) and Families First Coronavirus Response Act (P.L. 116-127).

2/ Estimated resources available in RETF at the start of 2023. These resources do not score as budget authority in 2023.

3/ Mandatory Funding includes mandatory appropriations provided in annual Appropriations Acts. Excludes the American Rescue Plan Act of 2021 (P.L. 117-2).

Note: The 2022 appropriations bill was signed after budget display for the 2023 budget submission was finalized. The 2022 Budget column reflects the 2022 President's Budget request, not the 2022 Enacted level.

### Transformational Fund Details

Accounts (\$ in millions)	2022 Total Funding (Base+RETF)	2023 Request	2023 RETF	2023 Total Funding (Request +	Change 2023 vs 2022	
					\$	%
Information Technology Systems	5,513	5,782		5,782	269	4.9%
Construction, Major Projects	1,611	1,448	805	2,252	641	39.8%
Construction, Minor Projects	553	626	163	790	237	42.8%
<b>Total Transformational Fund</b>			<b>968</b>			

2022 Information Technology includes \$4.875 billion in base funds plus \$670 million in RETF, as requested in the 2022 budget. 2022 Minor Construction request included \$150 million RETF, but 2022 Appropriations Act appropriated \$150 million Medical Facilities instead. 2022 column here shows only appropriated funds of \$553 million.

VA plans to use a total of \$968 million provided by the RETF, including \$804.5 million for major construction projects and \$163.5 million for minor construction projects that improve Veterans Health Administration (VHA) facilities infrastructure, including the installation of zero emission vehicles charging infrastructure. The Transformational Fund may be used for facility infrastructure improvements, including nonrecurring maintenance at existing VHA hospitals and clinics, as well as for information technology systems improvements and sustainment.

### Mandatory Funding Details

Accounts (\$ in millions)	2021 Enacted	2022 Budget	2023 Request	Change 2023 vs 2022		2024 Request
				\$	%	
Compensation and Pensions	124,357	137,575	152,017	14,441	10.5%	146,778
Readjustment Benefits	12,965	14,947	8,907	(6,040)	-40.4%	8,453
Veterans Insurance and Indemnities	131	137	110	(27)	-19.8%	121
Credit Liquidating Account and Subsidy Benefits	663	(5)	248	253	5060.0%	NA
<b>Total Mandatory Funds</b>	<b>138,116</b>	<b>152,654</b>	<b>161,281</b>	<b>8,627</b>	<b>5.7%</b>	<b>155,352</b>

Note: Credit Reform re-estimates occur after the end of a fiscal year and there are no appropriations for those in the budget request.

Mandatory funding for Compensation and Pensions will provide \$137.7 billion in disability compensation payments to over 6 million Veterans and their survivors and \$3.5 billion in pension payments to nearly 277,000 Veterans and their survivors. Readjustment Benefits funding will provide \$12.2 billion in education and job training benefits to over 921,000 Veterans and qualified dependents. VA's life insurance programs will provide coverage to nearly 5.8 million Veterans. The new Veterans Affairs Life Insurance (VALI) program will enable VA to cover more Veterans at a lower cost to VA. Funding for VA's Home Loan programs will support 995,000 guaranteed loans within a portfolio of 4.1 million active loans.

### American Rescue Plan (ARP) Details

The American Rescue Plan Act of 2021 provided VA with \$17.1 billion in mandatory funding to sustain the VA COVID-19 response beyond the expiration of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding and provide funding to meet other needs. ARP funding will also enable VA to reduce the backlog of Veteran benefit claims and appeals, improve supply chain management capabilities, and train Veterans who are unemployed due to COVID-19 in high demand occupations. Further details are provided in the budget chapters for the VHA,

Veterans Benefits Administration (VBA), Office of Information and Technology (OIT), Office of Inspector General (OIG), and the Board of Veterans' Appeals (the Board).

***American Rescue Plan (ARP) Plan***

VA Account (\$ in millions)	December 2021 Plan	Rescinded	Planned Changes	Revised Plan (with Rescissions and Changes)	FY 2021 Obligations	FY 2022 Planned Obligations	FY 2023 Planned Obligations
<b>Section 8001:</b>							
Veterans Benefits Administration (VBA)	\$ 262	\$ -	\$ -	\$ 262	\$ -	\$ 187	\$ 75
Board of Veterans Appeals	10	-	-	10	2	5	3
<b>Total Section 8001</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>2</b>	<b>192</b>	<b>78</b>
<b>Section 8002: (Veterans Medical Care and Health Fund (VMCHF))</b>							
Medical Services	5,680	-	(30)	5,650	-	4,954	696
Medical Community Care	4,000	-	-	4,000	-	1,901	2,099
Medical Support and Compliance	978	-	-	978	-	634	345
Medical Facilities	2,573	-	-	2,573	-	2,181	392
Medical and Prosthetic Research	9	-	30	39	7	2	30
Office of Information and Technology	1,241	-	-	1,241	-	611	630
<b>Total Section 8002</b>	<b>14,482</b>	<b>-</b>	<b>-</b>	<b>14,482</b>	<b>7</b>	<b>10,283</b>	<b>4,192</b>
<b>Section 8003:</b>							
Information Technology	100	(76)	-	24	-	24	-
<b>Total Section 8003</b>	<b>100</b>	<b>(76)</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>-</b>
<b>Section 8004:</b>							
Medical Community Care	250	-	-	250	250	-	-
Grants for Construction of State Extended Care Facilities	500	-	-	500	104	396	-
<b>Total Section 8004</b>	<b>750</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>354</b>	<b>396</b>	<b>-</b>
<b>Section 8005:</b>							
Office of Inspector General	10	-	-	10	-	10	-
<b>Total Section 8005</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>
<b>Section 8006:</b>							
VBA - Veteran Rapid Retraining Assistance Program	386	-	-	386	32	319	35
<b>Total Section 8006</b>	<b>386</b>	<b>-</b>	<b>-</b>	<b>386</b>	<b>32</b>	<b>319</b>	<b>35</b>
<b>Section 8007:</b>							
Medical Services	628	-	-	628	-	628	-
Medical Community Care	72	-	-	72	-	72	-
Medical Care Collections Fund	300	-	-	300	244	56	-
<b>Total Section 8007</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>244</b>	<b>756</b>	<b>-</b>
<b>Section 8008:</b>							
Emergency Department of Veterans Affairs Employee Leave Fund	80	-	-	80	18	-	-
<b>Total Section 8008</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>18</b>	<b>-</b>	<b>-</b>
<b>Grand Total, All Sections</b>	<b>\$ 17,080</b>	<b>\$ (76)</b>	<b>\$ -</b>	<b>\$ 17,004</b>	<b>\$ 657</b>	<b>\$ 11,979</b>	<b>\$ 4,306</b>

The Consolidated Appropriations Act, 2022 (PL 117-103) rescinded \$76.1 million of funds made available by section 8003 of the American Rescue Plan Act of 2021 (PL 117-2) which was provided to VA for supply chain modernization initiative.

## VA Staffing

The 2023 budget request supports 435,926 FTE (from all funding sources), an increase of 10,498 from the 2022 budget level. Most of the increase, 8,945 FTE, is in medical care, which will allow VA to meet continued growth for VA health care services, particularly due to COVID-19-related deferred care returning in 2023. Health care provider growth has increased in 2022 and will continue in 2023, despite a tight labor market for health care professionals, as VA expands telehealth services and enhances suicide prevention and substance use disorder initiatives. The 2023 budget assumes a 4.6% increase for civilian employees in calendar year 2023, at a cost \$1.8 billion above the 2022 baseline.

### *Full-Time Equivalent Employees (FTEs)*

All funding sources	2021 Enacted	2022 Budget	2023 Request	2021 v 2022 Change	
				#	%
Medical Care*	350,790	369,847	378,792	8,945	2.4%
DoD-VA Health Care Sharing Incentive Fund	82	11	98	87	790.9%
Joint DoD/VA Demonstration Fund	2,275	2,308	2,324	16	0.7%
Medical Research	4,175	3,585	4,523	938	26.2%
Canteen Service	2,117	3,500	2,334	(1,166)	-33.3%
<b>Subtotal Veterans Health Administration FTE</b>	<b>359,439</b>	<b>379,251</b>	<b>388,071</b>	<b>8,820</b>	<b>2.3%</b>
Electronic Health Record Modernization	175	337	227	(110)	-32.6%
Information Technology	8,186	8,766	8,993	227	2.6%
Board of Veterans Appeals	1,182	1,356	1,532	176	13.0%
Veterans Benefits Administration	24,639	25,303	26,481	1,178	4.7%
National Cemetery Administration	2,120	2,217	2,281	64	2.9%
General Administration**	2,749	3,341	3,452	111	3.3%
Inspector General	1,032	1,100	1,135	35	3.2%
Asset & Infrastructure Review Commission***	-	0	20	-	-
Franchise Fund	1,875	2,481	2,461	(20)	-0.8%
Supply Fund	1,019	1,276	1,273	(3)	-0.2%
<b>Total FTE</b>	<b>402,416</b>	<b>425,428</b>	<b>435,926</b>	<b>10,498</b>	<b>2.5%</b>

\* Medical Care FTEs include Section 801 Veterans Choice Act and Veterans Medical Care and Health Fund FTE. 2022 includes 160 FTE funded by the American Families Plan.

\*\* General Administration FTE in the 2021 column of the Appendix differ from the table above due to a data entry error in the Budget Appendix.

\*\*\* FTE for the AIR Commission differ from the President's Budget Appendix in 2023 due to timing of the early deadlines for the Appendix.

Note: The 2022 Budget column reflects FTE as requested in the 2022 Budget Request. Detailed VA budget materials reflect both the 2022 Budget and the 2022 Current Estimate. The 2022 Current Estimate differs from the President's Budget Appendix and reflects the 2022 Budget request for discretionary appropriations and use of ARP resources, updated for estimated transfers, reimbursements, and medical care collections.



## **Secretarial Vision**

Secretary Denis McDonough's focus for this budget request remains clear: to fight like hell for all Veterans, their families, caregivers and survivors. They are the heart of America, having dedicated their lives to serving and sacrificing for this country—for all of us—in times when we have needed them most.

This budget request enables VA to continue its sacred obligation by providing Veterans with world-class health care; with the benefits they have earned and so rightly deserve; and with a lasting resting place that is a tribute to their service. Key investments of this budget include:

### ***Delivering Benefits for Veterans, Including Investing in Automating Claims Processing***

The budget request supports the President's commitment to help Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents and receive the benefits they have earned by making key investments in VBA, the Board, and the National Cemetery Administration (NCA).

The 2023 Budget includes \$3.9 billion in discretionary funding for VBA's General Operating Expense account, a \$440 million increase (+12.9%) over the 2022 level. This includes funds to hire 379 additional claims processors to support growing demands and increased scope of claims as well as to advance claims automation and modernization efforts. It also supports 795 FTE employees for processing claims related to the three new Gulf War presumptive conditions VA implemented in 2021.

While VA is making substantial investments in additional staff to process disability compensation benefit claims, VA also expects the number of claims for these benefits to significantly outpace the ability to complete them without fundamental changes to the underlying process. To meet that challenge, the budget provides \$120 million for VA to support automating the disability compensation claims process from submission to authorization. Investments in automation will increase VA's ability to deliver faster and more accurate claim decisions for Veterans.

For NCA, the Budget includes \$430 million, an increase of \$36 million (9.1%) over the 2022 level, to ensure Veterans and their families have access to exceptional burial and memorial benefits including expansion of existing cemeteries, as well as new and replacement cemeteries. These funds maintain national shrine standards at the 158 VA managed cemeteries and provide the initial operational investment required to open new cemeteries.

To further help Veterans receive the benefits they deserve in a timely fashion, the Budget also includes \$285 million for the Board, an increase of \$57 million (+25.0%) from 2022 to increase staff by 256 new FTE, which will help the Board deliver 117,766 appeal decisions (+15% from 2022 expected levels).

***Supporting Veterans Impacted by Environmental Exposures During Service***

An estimated one in three Veterans report an exposure during military service and one in four report “persistent major health concerns due to deployment exposures.” Military environmental exposures can result in short-term acute health outcomes and long-term chronic illnesses. Agent Orange in Vietnam and airborne hazards and open burn pits in the Southwest Asia Theater of Operations are examples of these exposures.

One of the major challenges in the field of military environmental exposures is a lack of exposure and assessment data at the individual level. VA medical care and research programs seek to enhance military exposure data collection, assessments, and to improve understanding of the effects of military exposures on Veterans’ health outcomes. VA programs, in collaboration with Federal partners focus on obtaining a more precise determination of the types and amounts of specific environmental exposures incurred by Service members, and how they relate to specific clinical outcomes. Findings from research, medical, and surveillance programs will inform care, policy, benefits decisions, and future research protocols.

To achieve this comprehensive and integrative approach to understanding and treating environmental exposure, VA is employing an integrative approach that leverages internal and external partnerships and combined expertise in toxicology, data science, genomics and proteomics, and other fields.

The budget increases resources within VBA for processing new presumptive disability compensation claims related to environmental exposures during military service. It also invests \$51 million in funding to support medical research related to military toxic exposures, an increase of \$20 million over the 2022 Budget. VA will also dedicate \$63 million within the VA medical care program for Health Outcomes Military Exposures (HOME), the program dedicated to increase scientific understanding of and clinical support for Veterans and healthcare providers regarding the potential adverse impacts from environmental exposures during military service. Funding for HOME increases by \$32.3 million (+105.0%) from 2022.

From a benefits perspective, VBA will establish a new Military Exposures Team (MET) that will provide a dedicated focus and resources to issues related to military environmental exposures (MEE). This initiative supports the VA commitment to Veterans and stakeholders to expedite review and analysis of the types of conditions potentially eligible to meet the statutory threshold to pursue rulemaking as a presumptive disability under Part 3 of the U.S. Code of Federal Regulations. These new staff are part of the increase of 795 FTE funded by the Budget for VBA to support Veterans’ benefit claims and other needs.

***Continued Delivery of Timely Access to High Quality Medical and Health Care and Support Services, with Investments in Mental Health, Suicide Prevention, and Overdose Prevention and Treatment Programs***

The budget provides \$122.7 billion (with collections) for VA medical care, \$21.1 billion or 21% above the 2022 level. In addition to fully funding inpatient, outpatient, mental health, and long-term care services, the budget supports programs that improve VA healthcare quality and delivery,

including investments in training programs for clinicians, health professionals, and medical students. The budget also further supports VA's preparedness for regional and national public health emergencies.

The budget provides \$13.9 billion for VA mental healthcare, providing a system of comprehensive treatments and services to meet the needs of each Veteran and the family members. The budget focuses on increasing access to quality mental healthcare and lowering the cost of mental health services for Veterans, with the goal of helping Veterans take charge of their treatment and live full and meaningful lives.

The budget provides \$663 million toward opioid use disorder prevention and treatment programs, including programs authorized in the Jason Simcakoski Memorial and Promise Act (PL 114-198).

### ***Continuing to Fight COVID-19***

VA's response to COVID-19 demonstrated the strength and agility of the VHA integrated health care system operating as a single enterprise and proved the resiliency and commitment of VA staff in providing benefits, burial services, and serving in a wide variety of support functions. Building on this strength, VHA has played a leading role in the national response, a role significantly enhanced by the improvements to our readiness capabilities made possible by the CARES Act funding.

The COVID-19 pandemic is expected to have a continuing impact on VHA and Veteran health care for several years. During the pandemic, nationwide health care utilization saw a reduced amount of care provided in 2020 and 2021 as individuals chose to defer certain care. It is anticipated that less care will be deferred in 2022 and that care previously deferred started to return in 2021 and will continue through 2024. This return to care is one of the factors driving budgetary increases for medical care in 2023.

### ***Bolsters Efforts to End Veteran Homelessness***

VA remains committed to ending Veteran homelessness. The budget increases resources for Veterans' homelessness programs to \$2.7 billion, with the goal of ensuring every Veteran has permanent, sustainable housing with access to healthcare and other supportive services to prevent and end Veteran homelessness. VA has made significant progress to prevent and end Veteran homelessness, in close collaboration with our federal agency partners, leading national organizations, and State and local government agencies, and with VSOs and other nonprofit partners in communities across the country.

Since 2010, over 938,000 Veterans and their family members have been permanently housed or prevented from becoming homeless. Efforts to end Veteran homelessness have resulted in an expanded services to permanently house homeless Veterans and implementation of new programs aimed at prevention, including low-threshold care/engagement strategies, and monitoring homeless outcomes. As of March 8, 2022, there were 86 areas (83 communities and 3 states:

Delaware, Connecticut, and Virginia) that have publicly announced an effective end to Veteran homelessness. Those communities have met the benchmarks and criteria established by the United States (U.S.) Interagency Council on Homelessness, VA, and the Department of Housing and Urban Development (HUD), for declaring an end to Veteran homelessness. VA offers a wide array of interventions designed to find Veterans experiencing homelessness, engage them in services, find pathways to permanent housing and prevent homelessness from reoccurring.

The budget will allow VA to hire 140 more social workers to assist homeless Veterans in enrolling in healthcare; expand the Veteran Justice Outreach with approximately 440 staff; assist with design and development of housing partnerships for aging Veterans; and provide grant funds for special needs for transitional housing in Grant and Per Diem (GPD) program.

## ***Preventing Veteran Suicide***

Suicide prevention is a VA top clinical priority. The budget provides \$497 million to support the Administration's Veteran suicide prevention initiatives, including implementation of: the Veterans Crisis Line's 988 expansion initiative; the suicide prevention 2.0 program to grow public health efforts in communities; a lethal means safety campaign in partnership with other agencies; and the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program to enhance community-based prevention strategies. Funding for mental health in total grows to \$13.9 billion in 2023, up from \$12.3 billion in 2022.

As part of the Administration's efforts to expand access and lower out-of-pocket costs for mental health services, the budget also includes a legislative proposal to change the copayments for all enrolled veterans for outpatient mental health visits to \$0 for the first three visits per year.

## ***Supporting Caregivers***

VA's Caregiver Support Program (CSP) empowers family caregivers to provide care and support to Veterans with a wide range of resources through the Program of General Caregiver Support Services (PGCSS) and the Program of Comprehensive Assistance for Family Caregivers (PCAFC). VA began a major expansion of PCAFC on October 1, 2020.

The PCAFC expansion is implemented in two phases. The first phase, which commenced on October 1, 2020, includes eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975. As of March 8, 2022, VA has received more than 139,000 unique applications for the PCAFC since October 1, 2020 and added 18,600 additional Veterans and their Family Caregivers in the program. Approximately 10,500 applications remain in process and are pending a determination of eligibility. The program office is preparing for Phase II of PCAFC expansion that is scheduled to begin on October 1, 2022; this phase of expansion will include eligible Veterans who incurred or aggravated a serious injury in the line of duty between May 7, 1975, and September 11, 2001.

In parallel to expanding the program, VA is re-examining its approach to evaluating applications. Feedback from numerous stakeholders and results of recent reassessments of legacy program (post-9/11) participants led to concerns that implementing the regulations as written was preventing some Veterans with moderate to severe caregiving needs from participating in the program. VA is currently reviewing potential modifications to achieve intended outcomes in all new and legacy cases.

In addition, CSP is responding to a recent court ruling which is expected to have notable impact to the program. On April 19, 2021, the U.S. Court of Appeals for Veterans Claims (Court), in the case of Jeremy Beaudette & Maya Beaudette v. Denis McDonough, Secretary of Veterans Affairs, ruled in favor of petitioners seeking review by the Board of decisions under VA's PCAFC. As a result of this ruling, Veterans and caregivers who disagree, in whole or in part, with a VA decision under the PCAFC now have expanded appeal options outside the VHA Clinical Appeals process. For cases that have already been adjudicated, Veterans and caregivers who disagree with a PCAFC decision have an opportunity to appeal using the following methods: Higher Level Review, Supplemental Claim or the Board.

### ***Expanding High Priority Research Areas and Leverage Historic Investments***

VA conducts thousands of studies at VA medical centers, outpatient clinics, and nursing homes each year. This research has significantly contributed to advancements in healthcare for Veterans and other Americans from every walk of life. The Budget provides \$916 million to continue the development of VA's research enterprise, including research in support of American Pandemic Preparedness plan goals. This is an increase of \$34 million (+3.9%) from 2022. This funding will enable VA to fund approximately 2,697 total projects, support 4,523 FTE and partner with more than 200 medical schools and other academic institutions in 2023.

In 2023, VA Research will complement the Cancer Moonshot initiative by continuing to leverage its strong clinical care and research expertise to advance precision oncology care for Veterans while fostering system-wide adoption of best oncology practices. VA will devote \$81 million for cancer research in 2023, an increase of \$12 million (+17.3%) in comparison to 2022. Funds will support research and programs that address cancer care, rare cancers, and cancers in women, as well as genetic counseling and consultation that advance tele-oncology and precision oncology care.

Additionally, the Office of General Counsel and the Office of Research and Development will strengthen efforts to protect VA intellectual property and the fruits of VA research.

### ***Strengthening and Empowering the Workforce***

Over the course of the COVID-19 pandemic, VA employees have ensured that VA did not weaken or slow down. VA got stronger and took care of Veterans when they needed it most. The 2023 Budget supports 435,969 FTE, an increase of 10,498 from the 2022 budget level. This budget will ensure that VA takes care of the people who have balanced the challenges of life during the

pandemic and recruit additional staff to support Veterans. To strengthen and empower the workforce, VA will:

- Support competitive wages: at a cost of approximately \$48.1 million in 2023, the budget continues to fund the increase in Federal employee minimum wage of \$15 an hour. This helps housekeeping aides, food service workers and many others who are the backbone of VA. Additionally, the RAISE Act included in the recently enacted FY 2022 Omnibus funding bill will empower VA to pay employees what they are worth. The budget supports the cost of this important and much appreciated legislation, estimated at approximately \$10.4 million in 2023.
- Seek to maximize bonuses and retention incentives by waiving limits on bonuses for work done during the pandemic and increasing retention incentives and continuing delegated authority for recruitment, relocation and retention incentive payments of up to 50% of employee base salaries.
- Work to increase opportunities to advance at VA by growing future leaders and opening the door to opportunities for higher general schedule grades and promotions.
- Expedite the hiring process by continuing to leverage existing hiring authorities and obtaining additional direct hire flexibilities from the Office of Personnel Management and redesigning the national onboarding process.
- Offer greater flexibility in where employees work by maximizing opportunities to increase flexibility to work outside your traditional workspace whenever and wherever possible.
- Cover the cost of childcare by increasing the total household income cap to receive a childcare subsidy through VA.
- Invest in measures to improve employee well-being by listening to employees and developing recommendations for how to address burnout, promote work-life balance and more.
- Invest in education by funding scholarship programs for employees and working with the President and the Office of Personnel Management on loan forgiveness and repayment programs.
- Embed Inclusion, Diversity, Equity, and Access into everything VA does, including hiring, position management, and talent management, and ensuring VA is a welcoming workplace for all employees.
- Protect employees from COVID-19 by pursuing the latest workplace safety measures, offering all employees N95 masks for voluntary use and enforcing the vaccine requirement for all health care personnel.

## ***Renewed Focus on Electronic Health Records Modernization (EHRM)***

The budget also provides \$1.8 billion to continue modernizing VA's EHR to ensure Veterans receive world-class healthcare well into the future. Lessons learned from deployments of the new EHR solution at the initial operating capability (IOC) sites in 2020 and future deployments will inform future budgetary requirements and an implementation path moving forward. VA's request for 2023 reflects a strategic revision to the original EHRM deployment schedule, determining a way forward after the initial phase through early 2024.

The 2022 and 2023 request support the continued rollout of EHRM. By the end of 2022, EHRM will have invested infrastructure readiness funding in 15 out of VHA's 18 regional systems of care or Veterans Integrated Services Network (VISNs). The vast majority of infrastructure modernization work will be completed in VISNs 10 and 20, with significant progress already made in eight VISNs, and initial efforts already underway in five VISNs. The 2023 Budget supports security, server stack and Local Area Network (LAN) work at the final three VISNs, which represent the initial set of infrastructure readiness items that the sites receive. In 2023 additional progress will be made in four other VISNs to build upon the significant progress made there.

In addition to the funding requested for the EHRM account, VHA's Medical Facilities request includes \$505 million in Non-Recurring Maintenance (NRM) funding for infrastructure projects required to support EHRM.

### ***Prioritizes VA Facilities***

The budget includes \$3 billion for construction and expansion of critical infrastructure and facilities. This includes \$1.4 billion for major construction, \$626 million for minor construction and \$968 million from the RETF, a 31% increase in total funding from the 2022 construction budget (including RETF). This funding supports seven major investments in new and replacement medical facilities and new or expanded cemeteries in three locations. In addition, VA would make improvements and alterations to existing medical facilities, further expanding healthcare capacities. These capital investments enable the delivery of high-quality healthcare, benefits, and services for Veterans.

VA operates the largest integrated health care, member benefits and cemetery system in the Nation, with more than 1,700 hospitals, clinics, and other health care facilities. The VA infrastructure portfolio consists of approximately 184 million owned and leased square feet—one of the largest in the Federal Government. The average age of U.S. private sector hospitals is 11 years; however, the median age of hospitals in VA's portfolio is 58 years, with 69% of VA hospitals over the age of 50. With aging infrastructure comes operational disruption, risk, and cost. VA estimates between \$72 billion and \$88 billion for capital infrastructure and activation costs will be needed over the next ten years to maintain and enhance our infrastructure through our annual Strategic Capital Investment Planning process.

The budget does not make any adjustments to the capital programs request as a result of the ongoing Asset and Infrastructure Review (AIR) Commission process, directed by the MISSION Act. The implementation of any changes to VA's health care infrastructure as a result of the AIR Commission process may be several years away and is dependent on AIR Commission, Presidential, and Congressional decisions. VA looks forward to collaborating with the AIR Commission as it assesses the Department's recommendations and transmits its own report to the President.

## **Asset and Infrastructure Review Commission**

The VA MISSION Act of 2018 (P.L. 115-182) established an independent commission to be known as the “Asset and Infrastructure Review Commission” (the AIR Commission). The activities of the AIR Commission are described in greater detail in the AIR Commission section of the Budget in Brief and Volume 3 of the 2023 budget submission. The budget requests \$5 million for the operation of the AIR Commission and its staff. There are no funds in the budget to implement any recommendations that the Commission may make as part of its work.

## **Legislative Proposals**

Legislative proposals related to discretionary spending are described in detail in Volume I of the 2023 Budget Submission. To focus attention on the Biden-Harris Administration’s priorities, there are no additional mandatory legislative proposals included in this request. The proposals range from changes to personnel authority and pay, benefits to Veterans, enhanced cooperation with the Department of Defense and proposals to improve VA efficiency. Importantly, the proposals include the authority to implement a joint VA-United States Public Health Service (PHS) Health Professions Scholarship Program (HPSP) for medical students enrolled at the Uniformed Services University of the Health Sciences (USU); a proposal to expand access to infertility counseling, assisted reproductive technology (including in vitro fertilization), and reimbursement for certain adoption-related expenses; and to eliminate Veterans’ copayments for contraceptive coverage. VA is also proposing to eliminate copayments for all enrolled Veterans for outpatient mental health visits for the first three visits per year.



# *Veterans Health Administration*

## *Medical Care*

### Appropriations and Collections

Accounts (\$ in millions)	2021 Enacted	2022 Budget	2023 Request	2024 Advance Request
Medical Services	56,555	58,897	70,584	74,004
Medical Community Care	18,512	23,417	28,457	33,000
Medical Support & Compliance	8,199	8,403	11,073	12,300
Medical Facilities	6,583	6,735	8,634	8,800
<b>Subtotal Medical Care Appropriations</b>	<b>89,850</b>	<b>97,452</b>	<b>118,748</b>	<b>128,104</b>
Medical Care Collections Fund (MCCF)	3,091	4,085	3,910	3,968
<b>Total Medical Care with MCCF</b>	<b>92,941</b>	<b>101,537</b>	<b>122,658</b>	<b>132,072</b>

Includes only non-emergency discretionary appropriations provided in annual appropriations acts.

### FTE

All Funding Sources	2021 Enacted	2022 Budget	2023 Request	2024 Request
Medical Services	267,785	284,957	282,789	293,675
Medical Community Care	-	-	-	-
Medical Support & Compliance	57,203	58,236	67,375	69,759
Medical Facilities	25,802	26,654	28,628	29,557
<b>Total Medical Care FTE</b>	<b>350,790</b>	<b>369,847</b>	<b>378,792</b>	<b>392,991</b>

Medical Care FTEs include Section 801 Veterans Choice Act FTE and American Rescue Plan funded FTEs.

The 2023 request will ensure the Nation's Veterans receive high-quality health care and timely access to benefits and services. The 2023 Revised Request (RR) reflects total discretionary appropriations of \$118.7 billion for VHA Medical Care. This includes a \$7.5 billion annual appropriation request above the 2023 enacted advance appropriations. The request also includes \$3.9 billion in estimated medical care collections in 2023 for a combined discretionary resource amount of approximately \$122.7 billion.

The 2023 request supports improved patient access to and timeliness of medical care services for approximately 9.2 million enrolled Veterans. The request fully supports the provision of health care that VA projects has been deferred during the COVID-19 pandemic, in addition to providing for health care services at the pre-pandemic levels. The 2023 budget ensures that all Veterans, including women Veterans, Veterans of color, and LGBTQ+ Veterans, receive the care they have earned and prioritizes addressing Veteran homelessness, suicide prevention, and caregiver support. The 2023 request further supports the Department's effort to address substance use disorders, increase access to evidence-based residential and ambulatory detox programs, and collaborate with the Homeless Program Office to engage at-risk Veterans in the community. The 2023 budget also

provides \$663 million for VA's Opioid Prevention and Treatment programs, including programs in support of the Jason Simcakoski Memorial and Promise Act, referred to as “Jason’s Law.”

## **Medical Care program as its own category of discretionary funding**

The 2023 Budget presents the Medical Care program as its own category of discretionary funding, separate from the rest of non-defense discretionary funding. The funding needs for the Medical Care program are significantly different from most discretionary programs, driven by health care cost growth and the provision of an increasing amount of care to enrolled Veterans, as well as program expansions. Because of this, the Budget request considers the funding requirements for Medical Care independently from other non-defense needs, without one impacting the other. It is critical that Congress meet our sacred commitments to America’s veterans and that they do so without shortchanging other priorities.

## **Explanation of Budgetary Growth**

The 2023 discretionary appropriations request of \$118.7 billion (excluding collections) is a 21.9%, \$21.3 billion increase above the 2022 budget, a historic increase in total funding and percentage growth. There are several factors driving this level of growth in appropriated funding, including:

- **Shift from ARP to base funding.** VHA plans to obligate \$10.8 billion in ARP funding in 2022, but in 2023, the final year of availability for the Medical Care ARP funding, planned ARP obligations will drop to \$3.5 billion. Most of these costs funded by ARP in 2022 will shift to the base appropriated funding in 2023, contributing to the large increase in appropriations for 2023. When total obligations from all funding sources are compared, medical care obligations grow from \$115.0 billion in 2022 to \$128.5 billion in 2023, an increase of \$13.5 billion or 11.7%, which is more in line with recent annual percentage increases.
- **COVID-19.** The pandemic has had a significant enduring impact on American health care and VA health care. VA anticipates higher health care costs in 2023 in part due to the returning wave of health care that was delayed over the past two years, and care is predicted to be more complex and expensive because of that delay or the confounding impacts of long COVID-19 disease or other pandemic-exacerbation. Much remains unknown about future trends in health care caused by COVID-19.
- **Inflation and other Health Care Trends.** Historically, growth in expenditure requirements to provide care to enrolled Veterans has been primarily driven by health care trends, the most significant of which is medical inflation. Health care trends are key drivers of annual cost increases for all health care providers – Medicare, Medicaid, commercial providers and the VA health care system. Health care trends increase VA’s cost of care independent of any growth in enrollment or demographic mix changes. All health care trends are expected to contribute 5.4% of the modeled cost increase in 2023, an increase from previous years when health care trends ranged from 4.0% in 2020 to 4.9% in 2022. It is the single greatest cost driver in 2023. Inflation in 2023 is estimated to grow by approximately 3.5%, an increase from prior years when inflation ranged from approximately 2.3% in 2020 to 2.9% in 2022, based on

estimates in the annual budget submission. Greater detail on health care trends is provided in the model section of the Budget in Brief and the Actuarial Model Projections section of Volume 2 of the 2023 budget submission.

- **Drop growth in medical care collections.** VA is reimbursed by 3<sup>rd</sup> party insurance providers for care provided by VA. It also collects funds for medical copayments and other functions such as parking. Medical care collections in 2023 are estimated to slightly decrease to \$3.9 billion from the budget level of \$4.1 billion in 2022. Projected collections for 2022 through 2024 reflect recent collections trends, influenced by COVOD-19 care patterns, including the increased use of telehealth as a provision of care. Prior to the pandemic, medical care collections generally grew each year to help offset the cost of care supported by direct appropriations.

#### **Change from 2023 Advance Appropriation (AA) to 2023 Revised Request (RR)**

VA requests an additional \$7.5 billion over the 2023 requested Advance Appropriation amount. Medical Care is composed of four appropriations:

- **Medical Services:** Discretionary appropriation of \$70.6 billion, an increase of \$261 million above the 2023 advance appropriation, which when combined with all other resources, funds clinical staff salaries, pharmacy, prosthetics, beneficiary travel and medical equipment.
- **Medical Community Care:** Discretionary appropriation of \$28.5 billion in 2023, an increase of \$4.3 billion above the 2023 advance appropriation, which when combined with all other resources, funds non-VA provided medical claims and grants for state home nursing, domiciliary and adult day care services.
- **Medical Support & Compliance:** Discretionary appropriation of \$11.1 billion in 2023, an increase of \$1.4 billion above the 2023 advance appropriation, which when combined with all other resources, funds regional and medical facility administrators, including leadership teams; community care claim processing and program management; human capital, contracting, financial, and similar administrative support activities; and police officers.
- **Medical Facilities:** Discretionary appropriation of \$8.6 billion in 2023, an increase of \$1.5 billion above the 2023 advance appropriation, which when combined with all other resources, funds facility maintenance, leasing, and energy.

#### **2023 Revised Request and 2024 Advance Appropriation**

(\$ in millions)	2023 Advance Approp. (AA)	2023 Revised Request (RR)	+/- 2023 AA 2023 RR  2023 Second Bite	2024 Advance Approp. (AA)	+/- 2024 AA 2023 RR
Medical Services	70,323	70,584	261	74,004	3,420
Medical Community Care	24,157	28,457	4,300	33,000	4,543
Medical Support & Compliance	9,673	11,073	1,400	12,300	1,227
Medical Facilities	7,134	8,634	1,500	8,800	166
<b>Subtotal, Appropriation</b>	<b>111,287</b>	<b>118,748</b>	<b>7,461</b>	<b>128,104</b>	<b>9,356</b>

## **Modeling Health Care Needs**

VA uses three actuarial models to support formulation of most of the VA health care budget, to conduct strategic and capital planning, and to assess the impact of potential policy changes in a dynamic health care environment. The three actuarial models are the VA Enrollee Health Care Projection Model (EHCPM), the Civilian Health and Medical Program Veterans Affairs (CHAMPVA) Model, and the Program of Comprehensive Assistance for Family Caregivers (PCAFC) Stipend Projection Model.

Activities and programs that are not projected by these models are called “non-modeled” and change annually. They generally include NRM, state-based long-term services and supports programs (LTSS), readjustment counseling, recently enacted programs, non-CHAMPVA dependent programs (spina bifida, foreign medical program, children of women Vietnam Veterans), and new initiatives.

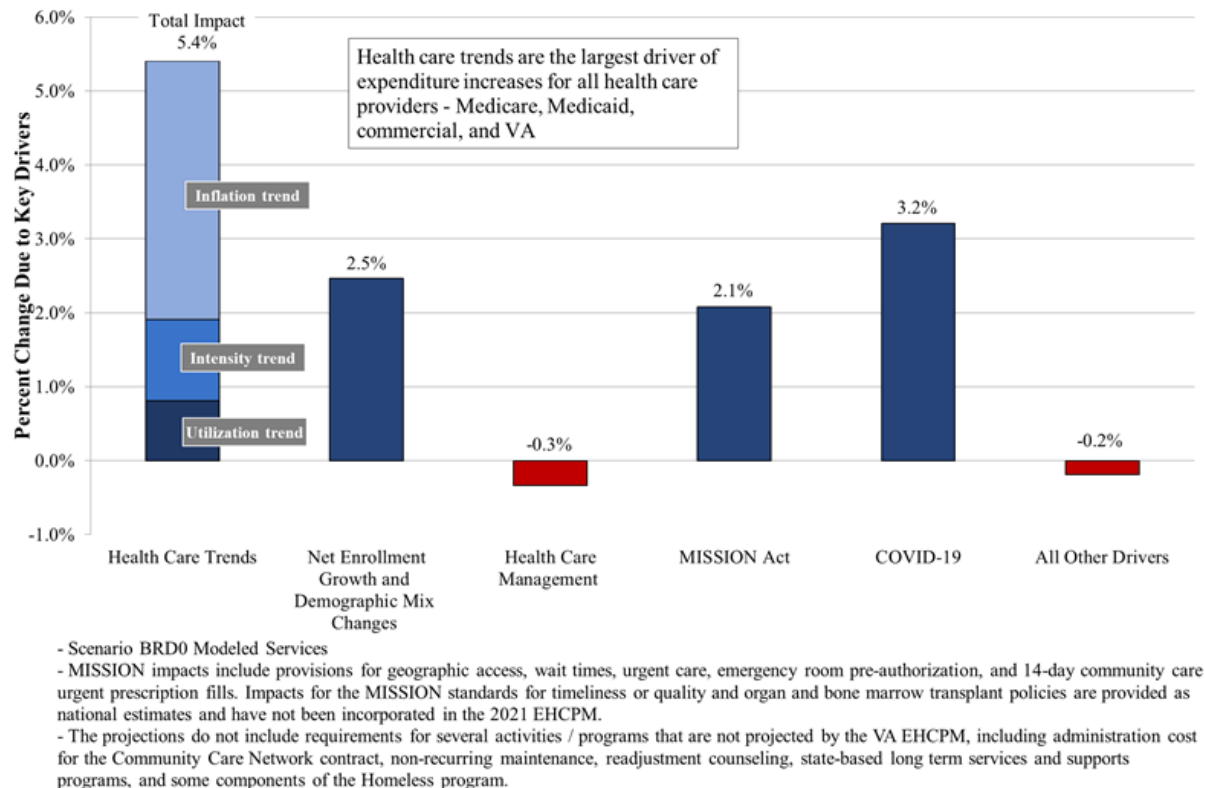
VA’s EHCPM is an actuarial model that supports the formulation of over 90% of VA’s Medical Care request and has been extensively validated. The EHCPM projects enrollment, utilization, and expenditures in more 140 categories of health care services for 20 years into the future.

In projecting future Veteran demand for VA health care, the EHCPM accounts for the unique characteristics of the Veteran population and the VA health care system, as well as environmental factors that impact Veteran enrollment and use of VA health care services.

- Historically, growth in expenditure requirements to provide care to enrolled Veterans has been primarily driven by health care trends, the most significant of which is medical inflation. Health care trends are key drivers of annual cost increases for all health care providers – Medicare, Medicaid, commercial providers, and the VA health care system. Health care trends increase VA’s cost of care independent of any growth in enrollment or demographic mix changes. Enrollment dynamics contribute to a portion of the expenditure growth; however, their impact varies significantly by the type of health care service. An assumption that VA’s level of management in providing health care will improve over time reduces the cost of providing care to enrollees.
- The COVID-19 pandemic is expected to impact the amount of care provided for the next few years. During the pandemic, nationwide health care utilization declined as individuals chose to defer certain care. VA anticipated that less care will be deferred in 2022 and returning care will surge in 2023 and 2024 to fulfill previously deferred care.
- The MISSION Act policies continue to drive increases in demand for services available in both VA facilities and the community.

Figure A quantifies the key drivers of the projected increase in the modeled requirements from 2022 to 2023.

**Figure A: Key Drivers of Projected Model Requirements, FY 2022 – FY 2023**



## **Veteran Patient Workload**

VA administers its comprehensive medical benefits package through a patient enrollment system. The enrollment system is based on priority groups to ensure health care benefits are readily available to all enrolled Veterans. When these enrollees become patients receiving VA-provided care, VA's goal is to ensure they receive the finest quality health care, regardless of the treatment program or the location. Enrollment in the VA health care system provides Veterans with the assurance that comprehensive health care services will be available when and where they are needed.

The budget expands health care services for our nation's Veterans while enhancing VA's integrated system of care, strengthening services within VA and improving VA and Veterans' relationships with community providers consistent with the MISSION Act. The 2023 request supports the treatment of 7.3 million unique patients, a 0.6% increase above the 2022 current estimate, and 148 million outpatient visits, an increase of 8.0% above the 2022 current estimate.

**Patients, Enrollees, Treatments and Visits**

	2021 Enacted	2022 Current Estimate	2023 Request	2024 Request
Number of Patients	7,398,131	7,302,204	7,347,395	7,402,684
Number of Veterans Enrolled in VA Health Care	9,134,760	9,185,019	9,214,315	9,242,006
Number of Inpatient -Treated	126,639,000	137,415,000	148,383,000	150,638,000
Number of Outpatient Visits	1,164,505	1,283,039	1,302,872	1,330,423

**Medical Care Facilities**

VHA operates approximately 5,646 owned buildings on 16,154 acres of land, and 1,726 leases, encompassing 20.1 million square feet of space in its portfolio. The 2023 request supports the operation and maintenance of these VA hospitals, Community-Based Outpatient Clinics (CBOCs), community living centers, domiciliary facilities, and Vet Centers, and the health care corporate offices.

**Medical Care Facilities**

Facilities	2021 Enacted	2022 Current Estimate	2023 Request	2024 Request
VA Hospitals	145	14	145	145
Community Living Centers	134	135	135	135
Mental Health Residential Rehabilitation Treatment Programs (MH RRTP)	117	119	124	129
VA Medical Center-Based Outpatient Care	171	171	171	171
Health Care Centers	12	12	12	12
Community-Based Outpatient Clinics	727	739	740	740
Other Outpatient Service Sites	376	377	377	377
Dialysis Centers	73	73	73	73
Community Resources and Referral Centers	32	32	32	32
Vet Centers	300	300	300	300

## Medical Care Areas of Focus

The following table provides obligations in key areas of VA care. Summary explanatory descriptions of these major programs are also provided.

**Veteran Medical Care: Key Focus Areas**  
**Obligations, Combined Discretionary and Mandatory**

(\$s in millions)	2021 Enacted	2022 Current Estimate	2023 Request	2024 Request
Mental Health	\$11,211	\$12,251	\$13,919	\$14,531
<i>Suicide Prevention/Outreach Programs (non-add)</i>	\$297	\$598	\$497	\$501
Veterans Homelessness Programs	\$2,544	\$2,762	\$2,685	\$2,861
Connected Care Program	\$366	\$450	\$330	\$330
Caregiver Support Program	\$873	\$1,413	\$1,846	\$2,259
Women Veterans (Gender-Specific Care)	\$629	\$701	\$767	\$836
Opioid Prevention, Treatment and Program Costs	\$463	\$646	\$663	\$679
Rural Health Initiative	\$267	\$307	\$307	\$307
Precision Oncology (Medical Care Only, excludes Research and OIT)	\$63	\$100	\$167	\$253

### Mental Health

VA plans to obligate more than \$13.9 billion for Veterans' mental health services in 2023, an increase of \$1.6 billion (+13%) above the 2022 current estimate. This request includes \$497 million for suicide prevention programs. Mental health care comprises an unparalleled system of comprehensive treatments and services to meet the needs of each Veteran and the family members involved in the Veteran's care. Veteran demand for VHA mental health care continues to grow, with approximately 1.84 million Veterans (30% of all VHA users) receiving mental health services in a VHA specialty mental health setting in 2021. VA provides a comprehensive continuum of outpatient, residential, and inpatient mental health services for the full range of mental health conditions. Programs provide proactive screening for symptoms of depression, Posttraumatic Stress Disorder (PTSD), problematic use of alcohol, experiences of military sexual trauma (MST), and suicide risk. VHA mental health care rests on the principle that it is an essential component of overall health care, which consists of a continuum of services to include self-help resources, telephone crisis intervention services, outpatient care, residential care (known as

#### **Mental Health Highlights**

**Hiring:** VA is undertaking a Mental Health Hiring Sustainability Initiative (begun in 2019), to provide targeted planning and human resources support for the facilities struggling the most with having adequate mental health staffing. In 2021, VA saw a net increase of 770 mental health staff.

**More Veterans receiving care:** Between 2006 and 2021, the number of Veterans who received mental health care from the VHA grew by 49%. This rate of increase is almost twice the rate for VHA users overall. The proportion of Veterans served by VHA who receive mental health services has also increased. In 2006, 19% of VHA users received mental health services, and in 2021, the figure was 23%.



Mental Health Residential Rehabilitation Treatment Programs), and acute inpatient care. VA employs a mental health workforce of more than 20,000 psychiatrists, psychologists, social workers, nurses, counselors, therapists and peer specialists.

## **Suicide Prevention**

VA intends to obligate \$497 million for suicide prevention programs in 2023. VA's Suicide Prevention Program is based on a public health approach that focuses efforts on utilizing universal, selective, and indicated strategies coupled with access to high quality mental health services and supplemented by programs that address the risks for suicide, all with the goal of intervening before a Veteran reaches a point of crisis. Suicide prevention contains the Veteran Crisis Line (VCL), Suicide Coordinators, and the cost of other national efforts to improve awareness of the risk of suicide and improve the care to those Veterans.

Recent expansion of suicide prevention efforts include working with national cellular network providers to implement the 988 expansion initiative that will streamline access to the VCL. Activating a simplified three-digit dialing code is forecasted to increase VCL call volume by 122% to 154%, translating to a total of between 1.5 million to 1.7 million annual VCL calls.

Another recent suicide prevention expansion effort is the activation of the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP), which is estimated to issue \$112 million in 2022 and 2023 grant awards enabling VA to provide resources toward community-based suicide prevention efforts to meet the needs of Veterans and their families through outreach, suicide prevention services, and connection to VA and community resources.

## **Homeless Programs**

VA will devote approximately \$2.7 billion for homeless programs in 2023, all base funding. VA is committed to the objective of ending Veteran homelessness and pursues that objective in close collaboration with our Federal agency partners, leading national organizations, and State and local government agencies, and with VSOs and other nonprofit partners in communities across the country. Program goals include assisting homeless Veterans and their families in obtaining and maintaining housing stability while promoting maximum recovery and independence in the community.

The 2023 request includes case management funding for the U.S. Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) program. HUD-VASH is a collaborative program between VA and HUD that provides eligible homeless Veterans a Housing Choice Voucher (HCV) from HUD paired with case management and supportive services from VA. These services are targeted to assist HUD-VASH Veterans in obtaining and sustaining housing stability while recovering from physical and mental health problems, substance use disorders, and functional concerns contributing to or resulting from homelessness.



HUD-VASH targets Veterans with the greatest needs first, ensuring that the most vulnerable Veterans are moved into housing as quickly as possible. HUD awards HUD-VASH vouchers based on geographic need to public housing authorities (PHAs) who self-identify to HUD their interest in receiving an allocation. The 2022 total funding level of \$734.5 million is projected to support the 108,000 vouchers anticipated to be available in 2022. These costs will be increased in 2023 and 2024 to support expanded case management, in the form of staff and contracts, congruent with HUD's expected annual allocation of 5,000 vouchers.

Between October 2020 and September 2021, Supportive Services for Veteran Families (SSVF) assisted 114,175 individuals; with 80,049 Veterans assisted; and 19,266 dependent children assisted, 17% of all those enrolled. Of the Veterans assisted, 10,416, or 13% were female (compared to eight to nine percent of the homeless Veteran population). 77% of those discharged from the SSVF program obtained permanent housing.

### **Telehealth Program**

The 2023 budget estimates VA will spend \$4.8 billion on telehealth treatment in 2023, an increase of \$622 million (+14.7%) from the 2022 current estimate. In addition, for the Office of Connected Care program and medical support, VA plans to spend \$329 million from base funds in 2023, an increase of \$29 million (+10.0%) from based funds in 2022. Investments made with ARP funds in 2022 will not continue in 2023. The Office of Connected Care, and its' Telehealth/Connected Care Services, has the mission to deliver high-quality, Veteran-centered care, optimize individual and population health, advance health care that is personalized and proactive, and enhance the health care experience through virtual modalities of care. VA is continuing to expand this program because of its ability to leverage our VA providers, provide better services to our Veterans, and help address challenges to the delivery of care in rural communities.

VA has leveraged telehealth to maintain the safe delivery of high-quality outpatient VA services in the context of pandemic-related social distancing guidelines. As a result, Telehealth has experienced a surge in adoption since early in 2020 which continued into 2021. COVID-19 illustrated telemedicine's value in enhancing health care safety and accessibility and accelerated the transformation of American healthcare.

In 2021, VA provided Veterans more than 9.5 million video telehealth visits to their home or other offsite location, representing an increase of greater than 146% compared to 2020 and over 3,100% compared to 2019. Overall, when considering all its telehealth modalities, VA provided more than 2.3 million Veterans with over 11.2 million telehealth episodes of care in 2021. The number of Veterans utilizing telehealth in 2021 grew by greater than 43% from 2020 and by greater than 158% from 2019.

### **Women Veterans**

The budget provides \$767 million for gender-specific women Veterans' health care, an increase of \$66 million (+9%) above 2022. Women are now the fastest growing cohort within the Veteran

community. The percent of women Veterans is projected to increase to about 16% of the total Veteran population in 2040 from 6% in 2000. More women are choosing VA for their health care than ever before, with women accounting for over 30% of the increase in Veterans enrolled over the past 5 years. The number of women Veterans using VHA services has nearly tripled since 2001, growing from 159,810 to over 600,000 today. This increase may reflect, in part, successful efforts to enroll women Veterans in VHA at military discharge, through the Women's Health Transition Training Program, as well as increasing awareness of and availability to specific services for women throughout VHA. This rapid demographic shift highlights the need to ensure ample capacity for clinical services for women in their childbearing years, including reproductive health services.

To address the growing number of women Veterans who are eligible for health care, VA is continuing to strategically enhance services and access for women Veterans. The request supports \$134 million for the program office and initiative budget for women Veterans' health care, an increase of \$27.7 million (+26.0%) since 2022. Key initiatives include The Women's Health Innovation and Staffing Enhancement (WHISE) Initiative and full-time Women's Peer Specialists (WMH PS). The WHISE Initiative provides funds to the VA medical centers to enhance women's health programs through hiring of new staff and purchasing equipment specific for women's health care. As a pilot project being implemented in 2021–2023, a full-time WMH PS will be designated within each VISN. These key staff members will specialize in providing gender-specific peer support services to women Veterans who are using local VHA mental health services. As part of their work, the WMH PS will pilot the Women Veterans Network (WoVeN), a VHA adapted specific peer support group intervention for women Veterans which can be delivered both in-person and via telehealth.

VA has enhanced provision of care to women Veterans by focusing on the goal of developing designated Women's Health Primary Care Providers (WH-PCP) at every site where women access VA. To ensure we meet the needs for the increasing number of women Veterans, the VHA is rapidly increasing access to trained, designated Women's Health Providers through large scale educational initiatives and has trained over 4,800 primary care providers since 2008. Educational efforts include hosting national mini-residency programs at training conferences each year, local mini-residency programs, and the training at rural sites. VA has at least two WH-PCPs at all of VA's health care systems and 90% of CBOCs have a WH-PCP in place. VA is in the process of training additional providers to ensure that every woman Veteran has the opportunity to receive her primary care from a WH-PCP.

### **Opioid Prevention and Treatment Program**

The VA plan for Opioid Prevention and Treatment program is \$663 million (from all funding sources) in 2023, \$16.4 million (+2.6%) above 2022. VA continues to pursue a comprehensive strategy to promote safe prescribing of opioids when indicated for effective pain management and to directly address treatment of opioid use disorder and prevention of opioid overdose. The Pain Management Program in Specialty Care Services expanded through the enactment of P.L. 114-198, title XI, the Jason Simcakoski Memorial and Promise Act, to form the Pain Management, Opioid Safety Program (PMOP) office. The increased funding in 2023 will help to staff the PMOP

office and allow for more targeted funding of pain management and opioid safety programs primarily at the facility level with national support to ensure successful implementation. In addition, funding will be used to support continued growth and replenishment of VA's Opioid Overdose Education and Naloxone Distribution, which provides naloxone and education to VA patients at-risk for opioid overdose.

## **Rural Health**

The budget supports \$307 million for rural health projects, maintaining funding equal with 2022. VA is committed to improving the care and access for Veterans in geographically rural areas. Projects funded through the VHA Office of Rural Health (ORH) include home-based primary care, training, and education of medical residents in rural clinical setting, equipment for rural CBOCs, transportation of rural Veterans, and home-based therapies. Through these and other rural health initiatives, ORH has addressed the unique needs of over three million enrolled Veterans living in rural and highly rural areas, who make up approximately 33% of all Veteran enrollees. During 2022, ORH funded more than 50 rural initiatives that provided care at VHA sites of care in all 50 states. ORH programs filled gaps in care, used technology to bring care closer to the Veteran, and delivered care directly into rural Veterans' homes.

ORH funded Tele-Critical Care (formerly TeleICU) reached 15 sites in 2020, providing inpatient care to 5,000 Veterans over more than 5,000 encounters. In 2021, this program was expanded, and ORH will continue to fund sustainment and expansion in the rural space into 2023 and beyond. The Rural Patient Tablet Program provides computer tablets to rural Veterans for delivery of telehealth care into their homes via secure internet connection. As of August 2021, over 55,000 patients have received tablets in fiscal year 2021 generating over 245,599 encounters. Six months after receiving a tablet, there was an increase in Veterans reporting more convenient care (from 67% to 80%), 28% fewer Veterans missed appointments or were no shows in mental health, and an increase in VA's mental health continuity of care measure (from 31.6% to 40.2%).

## **Precision Oncology**

The 2023 request estimates VA will spend \$167 million on precision oncology, \$67 million (+67.2%) above 2022. With this funding, VHA aims to improve the lives of Veterans with cancer to ensure that no matter where Veterans live, they have access to cutting-edge cancer therapy using Precision Medicine, Telehealth, and a Learning Healthcare system that integrates research with clinical care. Precision oncology is an evolution from one-size-fits-all cancer care. Veterans can see increased treatment success and decreased side-effects when the treatment is based upon characteristics of the patient and the cancer.

This funding is in addition to the funding in the Medical and Prosthetics Research and Development program funding, which in 2023 is estimated to be \$81 million for cancer research, an increase of \$12 million (+17.3%) from 2022.

## *Veterans Health Administration Medical and Prosthetic Research*

### Appropriation and Other Resources

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
<b>Medical and Prosthetic Research Appropriation</b>	795	882	916
American Rescue Plan (PL 117-2, section 8002)	9	30	0
Medical Care Support	668	750	779
Federal and Non-Federal Sources	532	540	540
Reimbursements	43	61	61
<b>Total, Budget Authority</b>	<b>2,047</b>	<b>2,263</b>	<b>2,296</b>

VA plans to provide \$30 million from the American Rescue Plan (Section 8002) for Research in 2022, executed from the Veterans Medical Care and Health Fund. Obligation of this funding is planned for 2023.

Final 2023 funding allocations among categories may change based on 2022 actuals and in response to workload demand requirements throughout 2023."

### FTE

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
Medical and Prosthetic Research Appropriation (Direct and Reimbursable)	4,135	3,585	4,410
American Rescue Plan (PL 117-2, section 8002)	40	0	113
<b>Total FTE</b>	<b>4,175</b>	<b>3,585</b>	<b>4,523</b>

Includes direct and reimbursable FTEs and positions funded by the American Rescue Plan.

The 2023 request for the Medical and Prosthetic Research appropriation is \$916 million, an increase of \$34 million, or 3.9%, from the 2022 estimated level (base only, excluding mandatory funding). This investment will advance the Department's research mission, including critical studies to understand the impact of traumatic brain injury (TBI) and toxic exposure on long-term health outcomes. The Office of Research and Development (ORD) will also continue to prioritize research focused on the needs of disabled Veterans including precision oncology, prosthetics, mental health, and suicide prevention as well as other disease areas.

The funding request supports VA in fulfilling one of its key missions, research and development, and sustains investments in several critical areas of research important to the Veteran community. This funding request will enable ORD to fund approximately 2,697 total projects (an increase of 134 projects over the 2022 estimate) and support 4,523 FTE. VA will partner with more than 200 medical schools and other academic institutions in 2023.

VA's research program is also supported by private and federal grants from other agencies awarded directly to VA investigators. This funding is not managed centrally by ORD, but on a local level at individual VA medical centers (VAMCs). In 2023, grants from other federal organizations, such as the National Institutes of Health (NIH), DoD, and the Centers for Disease Control and

Prevention (CDC), are estimated at \$370 million. Funding from other non-federal sources in 2023 is estimated at \$170 million, with a total estimated amount of \$540 million.

## **Funding Distribution**

VA Research supports its priorities through the funding distribution shown in the table below.

<b>Program</b> (\$s in 000s)	<b>2021</b> <b>Actual</b>	<b>2022</b> <b>Budget</b>	<b>2023</b> <b>Request</b>	<b>Change,</b> <b>2022 - 2023</b>
Research Administration (820)	123,190	133,317	138,456	5,139
Biomedical Laboratory R&D (821)	194,422	210,405	218,516	8,111
Rehabilitation R&D (822)	103,514	112,024	116,342	4,318
Health Services R&D (824)	123,107	133,227	138,363	5,136
Cooperative Studies Program (825)	99,210	107,366	111,505	4,139
Clinical Science R&D (829)	78,374	84,817	88,087	3,270
Million Veteran Program (826)	93,183	100,843	104,731	3,887
<b>Discretionary Appropriation Total<sup>1</sup></b>	<b>815,000</b>	<b>882,000</b>	<b>916,000</b>	<b>34,000</b>
<b>Mandatory, American Rescue Plan<sup>2</sup></b>	<b>9,000</b>	<b>30,000</b>	<b>0</b>	<b>(30,000)</b>
<b>Total Resources</b>	<b>824,000</b>	<b>912,000</b>	<b>916,000</b>	<b>4,000</b>

1. Total amounts reflect the total annual appropriation allocated to the programs during the year of enactment. Rescissions are executed from prior year funding.

2. VA plans to use \$30 million from the American Rescue Plan (Section 8002) for Research, executed from the Veterans Medical Care and Health Fund. Final 2023 funding allocations among categories may change based on 2022 actuals and in response to workload demand requirements throughout 2023.

## **New Initiatives for 2023**

VA will build on its robust investments to best serve Veterans now and into the future. It is imperative for VA Research to be responsive to the emerging and pressing clinical needs of Veterans and remain on the cutting edge of technology. VA Research will increase funding to advance the Department's understanding of the impact of TBI and toxic exposure(s) on long-term health outcomes, coronavirus related research and impacts, enhancing research through scientific computing, precision oncology, and diversity, equity, and inclusion (DEI) programs. New initiatives are highlighted below, with increased funding (in addition to current program funding):

### **Traumatic Brain Injury (+\$10 million)**

TBI is a signature injury of Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn (OEF/OIF/OND). TBI can lead to lifelong disabilities that can vary with TBI severity, number of blast exposures, and characteristics of explosion. Due to the nature of combat and previously unknown injuries that may have occurred from training, TBIs are frequently not recognized at the time of injury. This culminates in TBI diagnosis occurring in VA medical facilities sometime years after the most recent TBI, which has been termed "remote" TBI. This delay in diagnosis and associated care can magnify neurobehavioral conditions that negatively impact Veterans' quality of life.

**Military Environmental Exposures Research (+\$20 million)**

ORD will invest in better understanding the impact of toxic exposures (including burn pits) on long-term health outcomes and continue to drive research focused on the needs of disabled Veterans. Some of the investment include Increase Military Toxic Exposures Research, Launch Military Exposure Research Program, and building further capacity in the research area.

**Coronavirus Related Research and Impacts (+\$5 million)**

The COVID-19 pandemic has led to an unprecedented set of research actions and requirements for the nation. Research is the only way effective prevention and treatment approaches will be established for COVID-19. VA has a unique ability to contribute to these efforts given its expertise, infrastructure, and organization. VA research covers a spectrum of activities that will require an investment into the underlying infrastructure to maximize the impact VA can have in the battle against COVID-19 and future emerging infectious diseases.

**Scientific Computing (+\$15 million)**

ORD is aggressively working to modernize computing systems beyond on-premises infrastructure for a robust research and development capability to aggressively pursue advances in medicine.

The additional funding will support contract awards to support the purchase of “cloud credits” for the research community to use for various analyses and storage of data from research projects. Additional funding will help clear a backlog of big data analyses (i.e., genomic data) for large national studies.

**Precision Oncology (+\$10 million)**

In 2023, ORD will continue to invest in Precision Oncology. Efforts will build off previous support to facilitate a partnership between NIH’s National Cancer Institute and VA. Additionally, a more robust cancer knowledge base that integrates genetic and clinical data is needed to identify better treatments, guide care decisions, and identify opportunities for further investigation. The usefulness of any knowledge base depends on the data, mechanisms for sharing them, and the ability to translate findings into care. Fully realizing the promise of genomic-driven cancer care will require adequate resources and innovative partnerships that increase the sharing of data and knowledge, so advances can be realized more quickly to benefit both Veterans and the general patient population.

**Diversity, Equity, and Inclusion (+\$8 million)**

2023 DEI efforts focus on attracting and supporting early-career investigators from underrepresented groups to VA research through a mentored VA research opportunity, increasing diversity supplements for Career Development Awards (CDA) to support diversity and the Minority Service Institution Research Training Program, and leveraging existing ORD-funded research to establish strong collaborative partnerships between VA Merit Award investigators and investigators at non-VA institutions (such as Minority Serving Institutions).

# *Electronic Health Record Modernization*

## **Appropriations**

(\$ in millions)	<b>2021 Enacted</b>	<b>2022 Budget</b>	<b>2023 Request</b>
EHR Contract	1,191	1,425	1,119
Infrastructure Support	1,181	952	441
Program Management	255	286	199
<b>Total Appropriated</b>	<b>2,627</b>	<b>2,663</b>	<b>1,759</b>
Rescission of prior year funding	(20)		
<b>Total Appropriations</b>	<b>2,607</b>	<b>2,663</b>	<b>1,759</b>

## **FTE**

All Funding Sources	<b>2021 Enacted</b>	<b>2022 Budget</b>	<b>2023 Request</b>
<b>Total FTE</b>	<b>175</b>	<b>337</b>	<b>227</b>

VA is requesting \$1.8 billion for the Veterans Electronic Health Record. This will provide for the purchase of licenses and activities for additional future medical center deployments, site assessments, training of staff, purchase and installation of computer hardware and interface development. Lessons learned from deployments of the new EHR solution at the IOC sites in 2020 and future deployments will inform future budgetary requirements and an implementation path moving forward. VA's request for 2023 reflects a strategic revision to the original EHRM deployment schedule, determining a way forward after the initial phase of the realignment thru early 2024.

This request includes:

- \$1.1 billion for EHR Contract – This request aligns with VA's revised EHRM deployment plan and is based on the unpredictable COVID-19 environment while optimizing resources, providing flexibility, preserving momentum, and supporting the continued alignment and interoperability with the DoD. The funding will support contracts for site assessments, site transitions, enterprise integration and site implementation support for the post go-live activities and deployment efforts at future VISNs. The 2023 funding request is reduced due to fewer scheduled deployments, going from 25 VAMC in 2022 to 16 VAMC in 2023 (Waves S-Y). This will ensure completion of current deployments and aligns with the new schedule.
- \$440.7 million for Infrastructure Readiness – Funds will aid in supplying deployment sites with updated computers and network infrastructure capable of supporting the EHR solution six to eighteen months in advance of scheduled deployment. The funding will also support system interfaces and cybersecurity efforts. The funding request is decreased due to VHA becoming responsible for funding medical devices in 2023 and a reduction in interfaces due to fewer specialized enterprise systems.

- \$199.1 million for Project Management Office (PMO) – The funding will support 227 FTE supporting effective change management as the EHR solution is implemented throughout the nation. The goal is to retain qualified experts who understand VA’s legacy systems, computer programming languages and interfaces. The request supports reimbursement of 37 VHA experts that are critical to change management and effective deployment. EHRM will support the Federal Electronic Health Record Modernization (FEHRM) program office for \$18 million; part of this request includes federal staff pay, contract support staff, funding for travel, training, equipment, and supplies. As federal staff increase, the contract support and VHA reimbursable field support staff will.



# Office of Information and Technology

## Appropriations

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
Development	496	297	142
Operations and Maintenance	3,205	3,132	4,146
Staffing and Administrative Support Services	1,211	1,414	1,494
<b>Total Appropriated</b>	<b>4,912</b>	<b>4,843</b>	<b>5,782</b>
<b>Transformational Fund</b>		<b>670</b>	<b>0</b>
<b>Rescission of prior year funding</b>	<b>(38)</b>		
<b>Total, Budget Authority</b>	<b>4,875</b>	<b>5,513</b>	<b>5,782</b>

## FTE

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
<b>Total FTE</b>	<b>8,186</b>	<b>8,766</b>	<b>8,993</b>

The 2023 request of \$5.8 billion supports VA's commitment to support our business automation initiatives with agile and modernized IT platforms that allow VA to start transitioning to a "buy before build" model, reducing further accumulation of technical debt through outsourcing. "Buy" solutions are six times faster than developed in-house software (90 days vs. 584 days). VA's number of "buy" solutions has increased in recent years: 57 in 2020 and 68 in 2021.

Budgetary increases in the 2023 request allow VA to support existing IT infrastructure and recurring operational expenses, focus IT growth identified by our customers and stakeholders, and transform IT with investments in new service capabilities. The budget request is separated into the following subaccounts:

**Development.** The request of \$142.1 million is to more appropriately align to VA's business line requirements by prioritizing Commercial Off-the-Shelf (COTS) products and shifting from developing new software, relying more on cloud managed and shared services to enhance or modernize products already in production. The request will support mission-critical areas, including Community Care, Digital Health Platform, Health Data Interoperability, Pharmacy and Enterprise Supply Chain (eSC).

**Operations and Maintenance.** The request of \$4.1 billion supports demand and growth in critical programs, including continued support for Supply Chain Management, Financial Management Business Transformation (FMBT), Infrastructure Readiness Program (IRP), Enterprise Command Center, Enterprise Service Desk (ESD), Veterans Customer Experience (VCE), Telehealth Services, Managed Services, the transition to VA's Enterprise Cloud Solution (VAEC) and existing maintenance activities that support Enterprise Systems across VA.

**Staffing and Administrative Support Services.** The request of \$1.5 billion, which funds 8,918 FTE (direct funds only, excluding 75 reimbursable FTE), the majority of which are hospital and regional office IT staff responsible for supporting VA's mission and invests in growing our cyber workforce.

**Reimbursements.** In addition to the appropriated level, VA anticipates \$126.0 million in reimbursements: \$113.8 million is non-pay and \$12.2 million is pay to support 75 FTE. Reimbursements occur within VA, other Federal agencies, credit reform programs, and non-appropriated insurance benefits programs. The increase in 2023 reflects funds received from the VBA Housing Program to support the VBA credit reform requirements.

# *Board of Veterans' Appeals*

## **Appropriations**

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
<b>Total Appropriations</b>	196	228	285

## **FTE**

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
American Rescue Plan (ARP) Funded FTE		42	36
Base Funded FTE	1,182	1,314	1,496
<b>Total FTE</b>	<b>1,182</b>	<b>1,356</b>	<b>1,532</b>

VA requests \$285 million to support the Board's operations in 2023. The majority (90%) of the budget is associated with personnel costs totaling \$256 million and supports 1,496 full time equivalent (FTE, base funds only or 1,532 total FTE when 36 ARP funded FTE are included) and overtime. The funding request will position the Board to recruit and train additional Veterans Law Judges (VLJ), decision writing attorneys, and administrative staff vital to achieving mission-critical goals of conducting 40,000 hearings and adjudicating over 117,000 appeals for Veterans. The funding increase includes overtime to address projected workload increases as a result of an expansion of appealable decisions to include the VHA Caregivers program from a U.S. Court of Appeals for Veterans Claims decision (*Beaudette v. McDonough*, No. 20-4961).

The remaining 10% (\$29.4 million) of the 2023 request is for non-pay costs, which includes rent of \$10.3 million associated with the Board's lease at 425 I St NW, Washington, D.C. The Board maintains several contracts critical to ensuring delivery of service to Veterans including research tools, books, periodicals and transcription services. To keep pace with increased number of hearings held, the Board is increasing its obligation in transcription contracts to ensure all hearing cases are transcribed accurately and timely. In 2023, the Board plans to award contracts for centralized mail portal customized improvements to enable better automated routing, automated appeals docketing, and workload prioritization; assessing and improving its quality assurance program, to enable correspondence print and mail services, enhance electronic communications and Veteran-facing services to optimize hearing scheduling and notification. Multiple interagency agreements for support functions are also included for services such as human resources and labor relations support, security guards, and financial service center support.

This budgetary authority is necessary to ensure that the Board and the Department can meet Veterans' expectations regarding timely, accurate appeals processing. It further supports the business transformation as the Department prioritizes the drawdown of the pending legacy appeals while simultaneously adjudicating appeals under the Veterans Appeals Improvement and Modernization Act of 2017 (AMA), P.L. 115-55.

## Veterans Benefits Administration

### Appropriations

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request	2024 Request
Compensation and Pensions*	124,357.2	137,575.5	152,016.5	146,778.1
Readjustment Benefits	12,965.0	14,946.6	8,906.9	8,452.5
Insurance Benefits*	131.4	137.0	109.9	121.1
Veterans Housing Program**	667.0	-	248.3	NA
Veterans Housing Liquidating Account	(5.5)	(4.8)	NA	NA
Vocational Rehabilitation Loan Program**	0.0	-	NA	NA
Native American Veterans Housing Loan Program**	1.2	-	NA	NA
<b>Subtotal, Mandatory***</b>	<b>138,116.3</b>	<b>152,654.3</b>	<b>161,281.5</b>	<b>155,351.8</b>
General Operating Expenses	3,164.0	3,423.0	3,863.0	NA
Veterans Housing Program - Admin	204.4	229.5	282.4	NA
Vocational Rehabilitation Loan Program - Subsidy and Admin	0.5	0.4	0.5	NA
Native American Veterans Housing Loan Program	1.2	1.2	1.2	NA
<b>Subtotal, Discretionary</b>	<b>3,370.0</b>	<b>3,654.1</b>	<b>4,147.0</b>	<b>NA</b>
<b>Total, Mandatory and Discretionary</b>	<b>141,486.4</b>	<b>156,308.4</b>	<b>165,428.5</b>	<b>155,351.8</b>

\* Includes advance and annual appropriations in years where amounts in addition to advance appropriations were requested.

\*\*2021 and 2022 include upward re-estimates. The 2023 request does not include re-estimates, which are calculated at the fiscal year end.

\*\*\* Does not include trust funds, proprietary receipts, or intragovernmental transactions.

### FTE

All Funding Sources	2021 Enacted	2022 Budget	2023 Request	2024 Request
General Operating Expenses	23,783	24,282	25,493	NA
Veterans Housing Program - Admin	846	1,011	978	NA
Vocational Rehabilitation Loan Program - Subsidy and Admin	3	3	3	NA
Native American Veterans Housing Loan Program	7	7	7	NA
<b>Total FTE</b>	<b>24,639</b>	<b>25,303</b>	<b>26,481</b>	<b>NA</b>

VBA's 2023 budget is focused on two strategic and overarching themes: Benefits Delivery and Service Connection for Environmental Exposure. The requested investments and operational increases in 2023 are intended to comply with the law, reduce risk and deliver on the expectations of Veterans and other stakeholders. VA requests \$4.1 billion in discretionary funding to provide Veterans, their dependents and survivors a variety of benefits and services. This includes \$3.9 billion for VBA General Operating Expenses (GOE), which is \$440 million above 2022. This request delivers \$161 billion in benefits and services to Veterans and other beneficiaries, at an operating cost of about five cents for every dollar of benefits delivered.

Of the increase of \$440 million from the 2022 budget, \$129 million is for the cost of increased pay and non-pay inflation. The remaining portion of the increase, \$310 million funds key investments as described below.

## **Key Investments**

**Environmental Exposure (\$111.4 million and 795 FTE):** Provides improved benefits for Veterans exposed to toxic substances. This includes resources for increased Environmental Exposure workload for the following respiratory conditions: rhinitis, sinusitis and asthma. The VA Secretary approved the establishment of these three new presumptive respiratory conditions based on military service in Southwest Asia due to airborne hazard exposures. The establishment was recommended by the National Academies of Science, Engineering and Medicine (NASEM) Task Force in accordance with VA Directive 0215, Management of Reports Issued by the NASEM.

**Disability Compensation Claims Modernization (\$120.0 million):** The investment will automate components of the disability compensation claims process from submission to authorization. VBA expects the number of claims for disability benefits to significantly outpace the ability to complete them without fundamental changes to the way we process claims. This effort will focus on gaining efficiencies through a suite of automation capabilities. Disability Compensation Claims Modernization will increase VA's capability to deliver fast, accurate and consistent claim decisions for Veterans. This initiative will maximize automated tasks, allowing employees to focus on key decision-making functions such as claims authorization. In December 2021, VBA launched the initial pilot at the Boise Regional Office, focused on, not original, single-issue claims for increase in hypertension. Additional stations, as well as types of conditions and claims, will be added as the initiative expands.

**Pension Optimization Initiative (\$34.7 million):** VBA will expand upon current pension automation efforts to reduce processing/wait times from months to weeks or days. This effort focuses primarily on original pension claims and maintenance of running pension awards. The projected optimization of 75% of the pension workload will enable the reallocation of up to 600 FTE in the future to areas where they are more urgently needed.

**Veteran Transitional Assistance Grant Program (\$1.3 million and 4 FTE):** These resources will be used to implement the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315, Section 4304). VBA will make initial grants to eligible organizations to provide transition assistance to members of the Armed Forces who are separated, retired or discharged and spouses of such members.

**VA Disability Employment Pilot Project (\$3.6 million):** VBA will implement an innovative pilot program aimed at providing employment opportunities for Veterans and Service members with service-connected disabilities. This budget request includes funding to develop and conduct a pilot to learn about ways to empower and enable disabled Veterans seeking employment. The pilot program will include researching current employment programs to identify opportunities for improvement or gaps in the existing services. This pilot aims to better integrate VA programs. Key stakeholders contributing to the pilot program include the Office of Management and Budget (OMB), (DoD, Department of Labor (DOL)) and volunteer Veteran pilot participants.

**Clean Energy Job Training (\$2.5 million):** This initiative supports DOL in developing a clean energy job training program for eligible Veterans, transitioning Service members and military

spouses. This program will include training in solar, wind, thermal and other fields that specialize in clean alternatives to fossil fuels.

**FTE Optimization to Support Mission Critical Activities (\$37.4 million and 379 FTE):** This request right-sizes VBA based on operational requirements to include:

- 319 FTE to support growing demands and increased scope of claims while sustaining the disability compensation claims inventory and production levels. This includes FTE for claims processing functions in the field based on projected workload analysis.
- 60 FTE funded via offsetting collections to support Loan Guaranty (LGY) as they continue to develop technology enhancements to evaluate credit risk and expand capabilities for robust data analytics. These advancements require additional staff to analyze the comprehensive program information and robust data. (Credit Administration reimbursement-funded).

### **Payments to Veterans and Beneficiaries**

The amount of benefits payments has increased annually as a result of legislation, expanding Veterans' benefits and VA's successful efforts to adjudicate claims more quickly. 2023 is expected to follow this trend.

#### **Veterans Benefits: Direct Payments**

(\$s in 000s)	2021 Actual	2022 Estimate	2023 Estimate	2024 Estimate
Compensation	109,879,379	126,126,957	137,690,691	151,161,012
Pensions	4,073,051	3,819,067	3,535,899	3,301,270
Education Benefits	10,622,231	10,181,260	10,496,950	11,279,741
Veteran Readiness and Employment	1,427,316	1,672,041	1,726,699	1,816,389
<b>Total</b>	<b>126,001,977</b>	<b>141,799,325</b>	<b>153,450,239</b>	<b>167,558,412</b>

Excludes contract exams, OBRA payments to GOE, burial obligations, and other costs

### **Overview of VBA Workload**

VBA continues to serve millions of Veterans across multiple benefits programs. The following chart shows the historical and projected growth across VBA's primary lines of business.

#### **Number of Beneficiaries**

	2021 Actual	2022 Estimate	2023 Estimate	2024 Estimate
Compensation Beneficiaries	5,603,563	5,791,701	6,021,907	6,240,429
Pensions Beneficiaries	351,242	310,303	276,627	249,171
Education Program Trainees	840,740	811,709	819,716	822,557
Veteran Readiness and Employment Beneficiaries	91,915	99,856	101,750	103,599
New Housing Loans and Refinancings	1,361,414	981,532	994,891	956,497
Insured Persons	5,705,017	5,567,557	5,777,163	5,757,220

**Disability Compensation:** VBA has increased claims production through process optimization and automation to help keep pace with increases in claims receipts. The following table provides a summary of workload projections:

**Projected Compensation Workload and FTE Requirements**

	<b>2021 Actual</b>	<b>2022 Estimate</b>	<b>2023 Estimate</b>
Compensation Direct Labor FTE	15,748	15,453	16,662
Rating Receipts Compensation Claims	1,531,870	1,661,631	1,809,361
Rating Production Compensation Claims	1,399,049	1,572,924	1,637,125
Year-End Inventory Compensation Claims	586,089	674,796	847,032

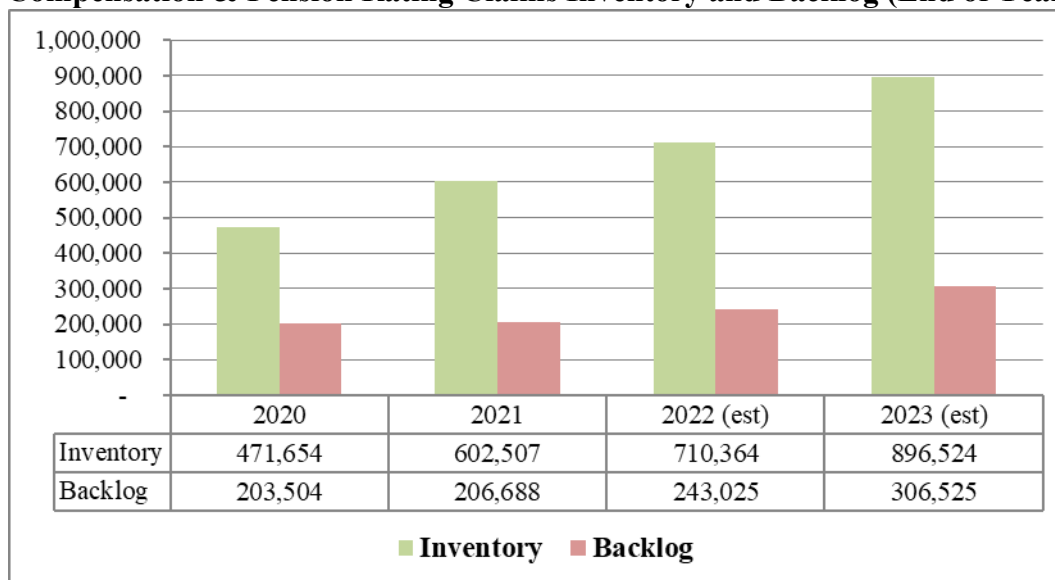
**Pension, Dependency and Indemnity Compensation, Burial and Fiduciary Programs:** The following table provides a summary of the VBA pension and DIC rating workload and FTE projections. This summary includes data for only pension and DIC claims considered to be part of VBA’s overall disability claims inventory, i.e., “rating claims.”

**Projected Pension, DIC & Burial Workload and FTE Requirements**

	<b>2021 Actual</b>	<b>2022 Estimate</b>	<b>2023 Estimate</b>
Pension, DIC & Burial Direct Labor FTE	974	1,191	1,008
Total Receipts Pension, DIC & Burial Claims	121,913	117,607	120,839
Rating Production Pension, DIC & Burial Claims	123,881	98,457	106,915
Year-End Inventory Pension, DIC & Burial Claims	16,418	35,568	49,492

**Compensation & Pension Rating Claims Inventory and Backlog:** The inventory of claims and the backlog of claims older than 125 days is expected to grow in 2023 as the result of new presumptive benefits. VBA predicts non-original, supplemental, Blue Water Navy (BWN) and other Agent Orange claims will continue to drive an increase in inventory of compensation claims.

#### Compensation & Pension Rating Claims Inventory and Backlog (End of Year)



**Compensation & Pension Appeals:** The Office of Administrative Review (OAR) works to reduce VBA's legacy remand inventory, administer VBA's higher-level review program and oversee VBA's Decision Review Operations Centers, which processes AMA higher-level reviews, higher-level review returns, and Board remands and grants. VBA and the Board share a total of 122,700 compensation and pension appeals still pending. Fewer than 32,000 are at VBA. VBA forecasts the FTE required to process legacy appeals will decrease as it eliminates the non-remand inventory. In 2021, VBA achieved a higher level of appeals output than projected and realigned 849 FTE to other priority areas. The table below projects the reduction of VBA's C&P legacy appeals inventory through 2023.

#### Compensation & Pension Appeals Workload

	2021 Actual	2022 Estimate	2023 Estimate
Notice of Disagreement Receipts	1,664	0	0
Appeals Resolutions by VBA	16,080	5,121	5,121
Certifications of Substantive Appeals by the Board	47,575	39,000	39,000
Pending Inventory	31,334	26,000	23,000



# *National Cemetery Administration*

## **Budgetary Resources**

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
<b>Operations and Maintenance</b>	<b>352.0</b>	<b>394.0</b>	<b>430.0</b>
Grants for Veterans Cemeteries	45.0	45.0	50.0
Major Construction	94.0	130.5	140.0
Minor Construction	80.2	107.0	157.3
Facilities Operations Fund	0.2	0.4	0.3
National Cemetery Gift Fund	0.3	1.0	1.0
Compensation and Pension (Headstones & Markers, Graveliners, Burial Receptacles, Caskets & Urns)	147.6	126.1	130.8
<b>Total, Budgetary Resources</b>	<b>674.2</b>	<b>759.0</b>	<b>859.3</b>

## **FTE**

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
<b>Total FTE</b>	<b>2,120</b>	<b>2,217</b>	<b>2,281</b>

VA honors Veterans and their family members with final resting places in national shrines with lasting tributes that commemorate their service and sacrifice to our Nation. The 2023 Budget positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following policies in support of its strategic goals:

- Access: Provide 95% of Veterans with access to a burial option within 75 miles of their home
- Outcomes: Ensure "National Shrine" standards of appearance at all VA national cemeteries
- Customer Service: Deliver world class customer service to all NCA's customers
- Modernizing Memorialization: Use innovation to connect to new audiences and modernize memorialization

VA requests \$430 million for the NCA Operations and Maintenance account. The Operations and Maintenance appropriation will fund the operation of 158 national cemeteries and 34 other cemeterial installations, as well as their maintenance as national shrines. It also funds the costs of administering seven related programs: Veterans Cemetery Grant Program (VCGP), Headstone, Marker and Medallion program, Presidential Memorial Certificate (PMC) program, First Notice of Death (FNOD) program, Casket & Urn reimbursements, Outer Burial Receptacle (OBR) reimbursements and beginning in 2023, Cremation Urns and Commemorative Plaques.

VA's 2023 request includes funding to support 2,281 FTE. Approximately 75% are Veterans and nearly 86% are in the field providing direct support to Veterans and their families ensuring they have convenient access to a burial option in a national, state, or tribal Veterans cemetery, and that they receive dignified, respectful and courteous service.

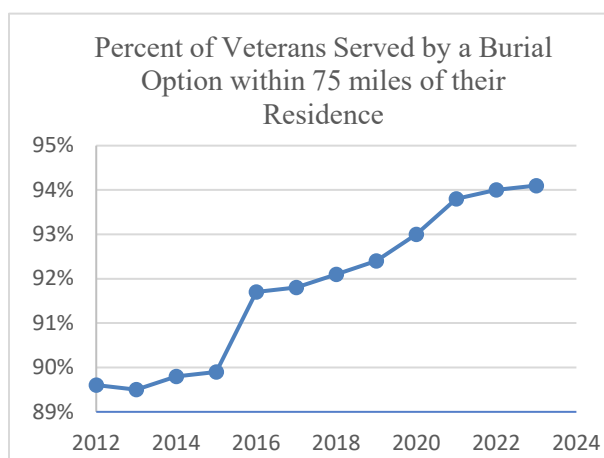
Included in VA's request is \$3.0 million and 5 FTE for the continued activation of the St. Albans and Indianapolis columbaria-only urban cemeteries, the Cedar City rural cemetery and the DoD-transferred cemeteries as well as initial activation for the Elko rural cemetery. Continued activation funding ensures that newly opened cemeteries receive the resources required as interment activity and maintenance workload increase after the initial opening.

VA also requests \$9.4 million and 25 FTE for existing cemeteries facing workload increases and project expansions in 2023. As NCA's workload continues to increase, this budget request is essential for NCA to maintain its position as a highly regarded organization, in both the public and private sectors, in terms of customer satisfaction.

The 2023 Budget request includes \$1.5 million and 17 FTE to support VA's initiative to maintain timely access to the burial benefits earned by our Nation's Veterans. The National Cemetery Scheduling Office supports multiple services for Veterans and their family members and is the primary point of contact to initiate the scheduling of burials for all VA national cemeteries.

VA requests \$2.1 million and 13 FTE to improve the accountability of remains and validate, rectify and quantify the tasks associated with cemetery and burial operations. The Discrepancy Resolution Program focuses on accounting for remains, marking of graves and mapping of national cemeteries through comparison of inscribed headstone and marker names at each cemetery to the associated permanent interment records and identify discrepancies for further evaluation.

VA is nearing its goal to provide 95% of Veterans with access to a burial option in a national, state or tribal Veterans cemetery within 75 miles of their homes. To achieve this goal, NCA will establish the remaining planned new national cemeteries and expand existing national cemeteries to meet projected demand, including the development of columbaria and the acquisition of additional land.



Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. The \$140 million major construction request for NCA in 2023 includes \$126 million to fund a replacement cemetery in Albuquerque, a gravesite expansion at Jefferson Barracks and Phase 1C at the new national cemetery in Western New York. An additional \$14 million is requested for Advanced Planning and Design and Land Acquisition funds used for new cemeteries and future expansions to maintain access to existing national cemeteries. NCA requests \$157.3 million in the 2023 minor construction budget to provide funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. In 2023, NCA is requesting the funding for 91% of all new start projects in the Minor Construction account. This will allow NCA

the option to utilize design/build acquisition strategies that require full funding at the time of the initial award. Additionally, NCA is committed to reducing the number of critical FCA infrastructure deficiencies related to safety and/or compliance and will partially address the growing list of FCA deficiencies rated D and F through the Minor Construction account.

NCA will increase the availability of state and tribal Veterans cemeteries which serve as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In 2023, NCA requests \$50 million for Grants for Construction of Veterans Cemeteries to provide additional establishment and expansion grants to state, county and tribal organizations in support of increasing burial access. The 2022 Grants Priority List has 43 conforming projects totaling over \$110 million in grant opportunities. Of this list, 10 grant requests are for establishment projects (i.e., potential new cemeteries) totaling \$36 million in grant opportunities. The Grants program plays a crucial role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option. In additions, the Grant program is a cost-effective alternative to VA construction and recurring operating expenses.

*General Administration***Appropriations**

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
Office of the Secretary	15.5	16.3	17.3
Office of General Counsel	117.0	125.5	137.3
Office of Management	64.4	73.7	78.6
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	97.1	103.6	111.4
Office of Enterprise Integration	28.7	33.6	36.2
Office of Public and Intergovernmental Affairs	13.5	14.4	16.3
Office of Congressional & Legislative Affairs	7.0	7.5	9.5
Office of Acquisition, Logistics and Construction	0.0	0.0	0.0
Veterans Experience Office	0.0	0.0	0.0
Office of Accountability and Whistleblower Protection	22.7	26.5	28.3
<b>Total Appropriated</b>	<b>365.9</b>	<b>401.2</b>	<b>435.0</b>
Rescission of prior year funding	(12.0)	0.0	0.0
<b>Total, Budget Authority</b>	<b>353.9</b>	<b>401.2</b>	<b>435.0</b>

Reflects Base direct funding in annual appropriation. Excludes carryover and CARES Act funding.

**FTE**

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
Office of the Secretary	85	80	82
Office of General Counsel	685	717	721
Office of Management	249	316	319
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	323	346	364
Office of Enterprise Integration	79	106	102
Office of Public and Intergovernmental Affairs	79	67	76
Office of Congressional & Legislative Affairs	46	40	51
Office of Acquisition, Logistics and Construction	0	0	0
Veterans Experience Office	0	0	0
Office of Accountability and Whistleblower Protection	106	135	141
<b>Total Direct Funded FTE</b>	<b>1,652</b>	<b>1,807</b>	<b>1,856</b>
Reimbursable FTE, all offices	1,097	1,534	1,596
<b>Total FTE</b>	<b>2,749</b>	<b>3,341</b>	<b>3,452</b>

General Administration FTE in the 2021 column of the President's Budget Appendix differ from the table above due to a data entry error.

Note: The 2022 Budget differs from the President's Budget Appendix and reflects the 2022 Budget request for discretionary appropriations rather than a full year continuing resolution.

VA requests \$435 million and 3,452 FTE for the General Administration account. This FTE request includes 1,856 direct funded FTE and 1,596 reimbursable FTE. This account provides VA Staff Office support for critical operations such as security and emergency preparedness, acquisitions and construction management, legal review and counsel, financial, budget and asset management, and legislative review and support to Congress. The General Administration account also provides funding for accountability and whistleblower protection, human resources management, project management, enterprise-level data analysis, public relations and outreach, as well as executive level direction to VA. The Major Construction account funds the Office of Acquisition, Logistics and Construction (OALC) through reimbursements directed in appropriations language.

VA requests \$15.9 million for pay raise costs and non-personnel costs to sustain current services. In addition, VA requests a total of \$17.9 million expand and enhance services. Highlights of the General Administration staff office requests for 2023 include:

- \$17.3 million in budget authority to the Office of the Secretary (OSVA) to provide executive direction for all VA programs. The request also includes reimbursable funds to support 36 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary.
- \$137.3 million in budget authority and 873 total FTE for the Office of General Counsel (OGC). The increase of \$11.8 million will support the pay raise and other cost increases, while also provided enhanced funding of \$6.3 million to meet the expanding legal workload, including an increasing number of cases before the United States Court of Appeals for Veterans Claims. It also provides funding for the Guardianship proposal, employment litigation, records management, and additional office spaces to accommodate growing workloads.
- \$78.6 million in budget authority and 324 total FTE for the Office of Management (OM). In addition to supporting increased costs for pay and non-pay inflation, the additional funding in 2023 includes \$1.9 million to ensure financial system integrity, support additional audit tasks relating to the new financial system, improve Strategic Capital Investment Planning, expand the Enhanced Use Lease program, and increase staff to support Climate Change.
- \$111.4 million in budget authority and 850 total FTE for the Office of Human Resources and Administration/Operations, Security and Preparedness (HRA/OSP). The request includes \$4 million increase for HR services including labor relations, manpower management, building maintenance, and recruitment and retention. The increase also supports emergency preparedness such as maintaining Alternate Operating sites.
- \$36.2 million in budget authority and 102 total FTE for the Office of Enterprise Integration (OEI). The request includes \$1.3 million for implementation of the Evidence-Based Policymaking Act, including a fully functional program office to manage Paperwork Reduction Act activities, and Enterprise Governance Support.
- \$16.3 million in budget authority and 77 total FTE for the Office of Public and Intergovernmental Affairs (OPIA). The budget request includes an increase of \$1.2 million for

ChooseVA campaigns. These outreach activities enable VA to communicate effectively with Veterans and the public and local governments by positively enforcing its commitment and readiness to serve America's Veterans of all generations.

- \$9.5 million in budget authority and 51 FTE for the Office of Congressional and Legislative Affairs (OCLA). The budget request includes an increase of \$1.7 million to support the growing workload under the congressional affairs, legislative agenda, and governmental affairs programs; and efforts to form and improve relationships and communications with Washington, DC based associations representing state and local governments and with elected officials.
- \$111.8 million in reimbursable authority and 343 in reimbursable FTE for the Veterans Experience Office (VEO). VEO was designated as Lead Agency Partner for the President's Management Agenda Cross Agency Priority Goal on Improving Customer Experience with Federal Services.
- \$28.3 million in budget authority to support 141 FTE for the operation of the Office of Accountability and the Whistleblower Protection (OAWP). The office will continue to implement the oversight and compliance requirements within the VA Accountability and Whistleblower Protection Act of 2017.

# Construction

## Appropriations

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
Major Construction	1,316	1,611	1,448
Minor Construction	354	553	626
<b>Subtotal, Construction Appropriation</b>	<b>1,670</b>	<b>2,164</b>	<b>2,074</b>
Construction, Major Projects	-	-	805
Construction, Minor Projects	-	150	163
<b>Subtotal, Transformational Fund Construction Investments</b>	<b>0</b>	<b>150</b>	<b>968</b>
<b>Total, Budget Authority, Construction</b>	<b>1,670</b>	<b>2,314</b>	<b>3,042</b>

2022 column shows budget request of \$150 million for Minor Construction from RETF. The 2022 appropriations bill was signed after budget display for the 2023 budget submission was finalized. The 2022 Appropriations Act appropriated \$150 million Medical Facilities instead.

The appropriations request for construction is \$2.1 billion, including \$1.4 billion for major construction and \$626 million for minor construction. When the major and minor construction funds are combined with \$968 million from the RETF, a total of \$3 billion will be available in 2023, a 31% increase from the 2022 construction budget.

Major Construction projects include funding for:

- Upgrade Building 100 and 101 for Seismic Retrofit and Renovation, Portland, Oregon
- New Medical Center, Louisville, Kentucky
- Construction and Renovation - Community Living Center, Domiciliary, and Outpatient Facilities, Canandaigua, New York
- Community Based Outpatient Clinic and National Cemetery, Alameda, California
- Realignment and Closure, Livermore, California
- Seismic Upgrades and Specialty Care Improvements, Fort Harrison, Montana
- Construct New Health Care Center, El Paso, Texas
- Replacement cemetery in Albuquerque, New Mexico
- Expanded cemeteries in Elmira, New York and Saint Louis, Missouri

VA's capital requirements are primarily driven by Veterans' need for care in modern facilities that are safe, secure, sustainable, and accessible. VA's Strategic Capital Investment Planning (SCIP) process has served as the basis for prioritizing VA capital investment funding decisions since the 2012 budget. Projects prioritized for funding through the SCIP process will correct critical seismic and safety deficiencies and address other performance gaps at VA facilities.

## *Office of Inspector General*

### Appropriations

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
<b>Total, Budget Authority</b>	228	239	273

Base funding only. Excludes carryover, CARES Act and American Rescue Plan funding.

### FTE

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
<b>Total FTE</b>	1,032	1,100	1,135

The OIG requests \$273 million for 1,135 FTE in 2023 to fulfill statutory oversight requirements for all VA programs, services, and operations, including healthcare and benefits delivery, procurements and acquisitions, information technology and security, construction, leadership and governance, and financial stewardship. The budget supports a spectrum of audits, inspections, and reviews that identify potential improvements to VA program outcomes, strengthen the integrity of high-risk activities, and deter misconduct. These programs also support and enhance the OIG's capacity to detect criminal activity and conduct timely and thorough investigations when serious instances of fraud, waste, and abuse are discovered. The 2023 budget request encompasses the full cost of operational requirements anticipated for the year and assumes that OIG will have no appreciable carryover from previous appropriations (regular or supplemental) to support staff or other business needs.



# *Asset and Infrastructure Review Commission*

## **Appropriations**

(\$ in millions)	2021 Enacted	2022 Budget	2023 Request
<b>Total, Budget Authority</b>	0	5	5

## **FTE**

All Funding Sources	2021 Enacted	2022 Budget	2023 Request
<b>Total FTE</b>	-	0	20

VA MISSION Act of 2018 (P.L. 115-182), Title II, section 203, requires VA to develop criteria to be used in assessing and making recommendations regarding the modernization or realignment of its VHA facilities to ensure effective and efficient access to high-quality health care and services for Veterans. Title II, Section 202 establishes an independent Presidential commission to be known as the “Asset and Infrastructure Review Commission” (the AIR Commission) to review and assess VA’s recommendations and provide a report to the President with its findings and conclusions. The AIR Commission is authorized to meet only during calendar years 2022 and 2023. The AIR Commission will conduct public hearings in regions affected by a VA recommendation to close a facility of the VHA. To the greatest extent practicable, the AIR Commission will also conduct public hearings in regions affected by a VA recommendation to modernize or realign a facility.

In 2023, VA requests \$5 million in appropriations for the Commission to carry out its duties:

- \$3.3 million for personal services for 20 FTE to support the duties of the Commission.
- \$1.5 million in contract services for specialized program consultants to assist the Commission with analysis and reviews of VA Submissions and provide advice. Contract services will also include report writing and publication of recommendations.
- \$239,000 in travel expenses for travel to the field for hearings and commission members’ travel to Washington, D.C. for commission meetings.

The Commission is just beginning its work; there are no funds in the budget to implement any recommendations that the Commission may make as part of its work.

## *Recurring Expenses Transformational Fund*

### Appropriations

Accounts (\$ in millions)	2021 Enacted	2022 Budget	2023 Request
Information Technology Systems	-	670	-
Construction, Major Projects	-	-	805
Construction, Minor Projects	-	150	163
<b>Total Transformational Fund</b>	<b>-</b>	<b>820</b>	<b>968</b>

2022 column shows budget request of \$150 million for Minor Construction from RETF. The 2022 appropriations bill was signed after budget display for the 2023 budget submission was finalized. The 2022 Appropriations Act appropriated \$150 million Medical Facilities instead.

2023 will be the second year in which resources become available in the Transformation Fund, authority for which was enacted in the Consolidated Appropriations Act, 2016 (P.L. 114–113). Unobligated balances of expired non-emergency discretionary funds appropriated in 2016 or any succeeding fiscal year may be transferred to the RETF at the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated. The RETF is available for facilities infrastructure improvements, including nonrecurring maintenance, at existing VHA hospitals and clinics, and for information technology systems improvements and sustainment.

The 2023 Budget anticipates a transfer of \$968 million in unobligated balances into the RETF at the end of 2022, of which \$804.5 million is planned for major construction projects and line items and \$163.5 million is planned for minor construction projects that improve VHA facilities infrastructure, including the installation of zero-emission vehicle charging infrastructure.

**Department of Veterans Affairs**  
**Office of the Assistant Secretary for Management**  
**[www.va.gov/budget](http://www.va.gov/budget)**